FBIS DAILY REPORT

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ALFONSIN'S USSR VISIT CONFIRMED FOR 13-17 OCT

PY021544 Buenos Aires TELAM in Spanish 1457 GMT 2 Oct 86

[Text] Buenos Aires, 2 Oct (TELAM) -- At the invitation of the USSR Supreme Soviet and of the Soviet Government, Argentine President Raul Alfonsin will make an official visit to the USSR from 13 to 17 October. The Argentine Foreign Ministry today reported this in a press communique.

GOVERNMENT PROTESTS UK PLANE OVERFLIGHT INCIDENT

PY021633 Buenos Aires TELAM in Spanish 1551 GMT 2 Oct 86

[Text] Buenos Aires, 2 Oct (TELAM) -- The Argentine Foreign Ministry has issued a communique announcing that it has reported to the United Nations an incident that occurred yesterday in Argentine jurisdictional waters involving an Argentine trawler and British Air Force plane. The communique says that Argentina has lodged a protest with the United Nations over the incident. Herewith is the text of the communique:

Regarding an incident that occurred on 1 October in Argentine jurisdictional waters involving an Argentine trawler and a British Air Force plane, the Argentine Ministry of Foreign Relations and Worship hereby announces that it has sent a note to the UN secretary general reporting the incident and lodging a protest. The Argentine Government reiterates its strong rejection any action that interferes with the legal and peaceful activities of Argentine trawlers.

TEXTILE EXPORT AGREEMENT SIGNED WITH EEC

PY010214 Buenos Aires TELAM in Spanish 1422 GMT 30 Sep 86

[Text] Buenos Aires, 30 Sep (TELAM) -- Argentina and the EEC today signed a textile agreement in Brussels that will benefit the Argentine trade balance by $40 to $50 million a year. Argentine diplomatic sources headquartered in Brussels have reported this according to a report from EFE news agency.

Ramiro Alfonsin, Argentine Ambassador to the EEC signed the agreement, the EFE report datelined Brussels states. This agreement is the renewal of one that expired in 1982. This date coincides with the cooling of relations between Argentina and the EEC on account of the Malvinas War. According to EFE, EEC sources have pointed out that the agreement will last 5 years and it was signed within the framework of the international multifiber agreements [Acuerdos Internacionales Mulifibras, (AMF)] that includes cotton threads, fabrics and combed wool [lana cardada]. The Argentine diplomatic sources believe that through this agreement, this type of Argentine exports will increase by 100 percent. The following export quotas were established using advantageous export taxes: 12,400 tons of combed wool [lana cardada] (the former 1985 quota was 9,300 tons); 3,600 tons of cotton thread (the former quota was 2,921 tons); and 5,500 tons of cotton fabrics. The Argentine delegation also expresses satisfaction at the elasticity of the quotas in the EEC and in Argentina.

EEC sources told EFE that this agreement expresses the will to contribute to the opening of markets. The EEC likewise requests the exporting countries to respect brands, models, and designs. The EFE report ends by saying that this agreement is one of the 21 bilateral textile agreements that the EEC maintains within the multifiber framework.

GROUP CLAIMS U.S. TO USE TROOPS IN CHILE

PY022110 Paris AFP in Spanish 1931 GMT 2 Oct 86

[Text] La Paz, 2 Oct (AFP) -- The Board for the Defense of National Sovereignty today stated that the U.S. troops that arrived in Bolivia on 15 July this year to struggle against drug trafficking may be used in Chile if the situation in the neighboring nation gets out of hand.

The board, which has been established by dozens of political parties, institutions, and labor unions to demand the withdrawal of the 170 rangers, claimed that its statement is based on a memorandum issued by U.S. General John Galvin. This memorandum was intercepted by opponents of General Augusto Pinochet's government in Chile and was later disseminated by international news agencies. According to the board, the memorandum proves that the real objective of the United States in sending troops to Bolivia is to set up a permanent military base in this country.

The board pointed out that initially the troops were to stay in Bolivia until 15 September, but that now the United States Government says that there is no fixed date for their withdrawal. Paz Estenssoro's administration says that the troops will leave on 15 November.

Barthelemy Refutes Claim

PY030230 Madrid EFE in Spanish 2320 GMT 2 Oct 86

[Excerpts] La Paz, 2 Oct (EFE) -- The debates regarding the presence of U.S. troops in Bolivia was reactivated again today through the publication of charges levied by the "Board for the Defense of National Sovereignty," and an initial reaction of Interior Minister Fernando Barthelemy. [passage omitted]

Interior Minister Fernando Barthelemy, asked whether the U.S. military detachment currently in Bolivia is a counterinsurgency unit, answered that he did not know the detachment's specialty. He added, however, that according to the agreements signed between La Paz and Washington, the U.S. troops can cooperate only with the Bolivian police to transport members of the unit trained for the antinarcotic struggle. Barthelemy emphasized that in keeping with these agreements the U.S. troops cannot even transport Bolivian military units and announced that the U.S. troops will leave Bolivia in the coming weeks.

Finally, the interior minister said meetings are being held with U.S. Ambassador in La Paz Edward Rowell in order to coordinate new antinarcotic actions that will require different equipment, especially planes and helicopters that have a greater range than that of the six Black Hawk helicopters currently operating in Bolivia.

BRIEFS

YPFB PROFITS -- Bolivian Government Oil Deposits [YPFB] General Manager Jorge Flores has reported that the company sold natural gas to the Argentine Republic worth $378 million between August 1985 and August 1986. He also said that domestic sales of oil by-products reached $175 million. [Excerpts] [La Paz PRESENCIA in Spanish 12 Sep 86 p 9 PY]

GOVERNMENT ANNOYED OVER REAGAN'S OMISSION

PY021501 Madrid EFE in Spanish 1429 GMT 2 Oct 86

[Text] Brasilia, 2 Oct (EFE) -- The omission made by Ronald Reagan during his inaugural speech at the IMF annual assembly in not mentioning Brazil as one of the countries that has successfully faced inflation has caused displeasure within the Brazilian Government.

The displeasure was disclosed by Brazilian Foreign Ministry sources after Finance Minister Dilson Funaro and Foreign Ministry special adviser Rubens Ricupero said that the omission was made because Brazil has refused to follow IMF policies. In his speech, Reagan praised Argentina and Colombia for reducing inflation during the last few months without mentioning Brazil. From a 200 percent inflation rate in 1985, Brazil has cut inflation to 6 percent so far this year.

Speaking before Sao Paulo businessmen, Ricupero said that the omission was made "because we maintain a different position from the IMF economic policies." Ricupero recalled that Reagan recognized the success of the Brazilian economic reform program during President Jose Sarnery's visit to the United States last September. Rubens Ricupero said: "That was a personal opinion which does not necessarily coincide with the IMF position."

A few hours earlier in Washington, Finance Minister Dilson Funar said that the omission does not mean that the economic policies are wrong but that "we have the best support, that of the Brazilian people."

Local media are today commenting that President Ronald Reagan's position can be considered a warning regarding the decision he will make before 6 October over commercial sanctions on Brazil for its national informatics market policies.

NATIONAL INTELLIGENCE SERVICE TO BE REORGANIZED

PY022013 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 Oct 86 p 5

[Text] Brasilia -- The Planalto Palace is preparing a proposal for the reorganization of the National Service for Intelligence (SNI) to be submitted next year to the Constitutional Assembly. The assembly's delegates will be elected as congressmen in the upcoming 15 November elections. Under the proposal, the SNI will operate along the lines of the CIA (Central Intelligence Agency) and FBI (Federal Bureau of Investigations) in the United States, but with combined power to operate at home and abroad.

The government intends to strip the SNI of some functions that are more appropriate for the police, such as the investigation of corruption in government administration. In the United States, the CIA functions as the secret service, and the FBI and the federal police. In addition to these two U.S. organizations, the SNI is studying the operations of intelligence services from the FRG and Great Britain, as well as the intelligence-gathering methods used in those countries.

FOLHA has learned that the SNI Chief, General Ivan de Souza Mendes, 63, is concerned, for instance, about the government's need to protect itself against eventual terrorist acts from international organizations or from Brazilian extremist groups.

Judging from the information stored in the computers at government intelligence services, the country's internal situation should cause no concern. However, there is something that causes concern: Latin America holds the world record for the greatest number of terrorist attacks. This month, however, the statistics changed somewhat due to the large number of bombings in Europe, especially in France.

In the United States, the CIA conducts investigations abroad at the request of President Reagan, and the FBI goes into action only when the mission is restricted to U.S. territory. In Brazil, under the proposal being outlined at the Planalto Palace, the SNI will operate both at home and abroad, for economic reasons.

The SNI, which was set up after the 1964 Revolution, had an active participation in political repression during the years of military regime. Gen Ivan de Souza Mendes, who was appointed to the post by late President-elect Tancredo Neves, contends that the SNI has to operate in a democratic way, within legal boundaries.

Although he favors phone tapping to combat some types of crimes, Gen Souza Mendes says that "SNI agents are not tapping phones." At the Constituent Assembly, he intends to lobby through the Planalto Palace congressional advisers for the legalization of "bugging."

VOLUNTARY REDUCTION OF STEEL EXPORTS TO U.S.

PY020231 Madrid EFE in Spanish 1919 GMT 1 Oct 86

[Text] Rio de Janeiro, 1 Oct (EFE) -- Brazil has agreed to reduce by 26,000 tons per year its export quota of steel to the United States through an agreement, which a bilateral commission that reviews the steel trade every 3 months, reached in Washington.

Marco Polo de Melo Lopez, executive secretary of the Association of Private Steel Mills (ASP) announced the decision today. He explained that the established quotas are now 630,000 tons of refined steel and 700,000 tons of semirefined steel products. Brazilian exports of semirefined steel increased from 1.7 million tons to 2.5 million tons so far this year.

Meanwhile, Rudolf Buhler, president of the Brazilian Iron and Steel Institute (IBS) reported that no progress has been made in the negotiations aimed at including special steel and pipes in the systems of voluntary restrictions.

OPPOSITION LEADERS REACT TO MERINO'S COMMENTS

PY021330 Santiago Radio Chilena in Spanish 1700 GMT 1 Oct 86

[Excerpts] Admiral Jose Toribio Merino Castro yesterday discussed the possibility of establishing a dialogue with the democratic opposition. He said he would receive anyone who wishes to talk to him. One can get to know the thoughts of others by talking with them and by reading their proposals, Merino said. He added that if realistic, down to earth solutions are proposed by capable people a meeting of this sort with the democratic opposition is possible without doubt.

Jorge Molina Valdivieso, under secretary general of the Socialist Party, which is part of the Democratic Alliance [AD], said the following about Merino's statements:

[Begin Molina recording] I think it is very positive. As a member of the Chilean Socialist Party, I am very interested in speaking to him about the basis for a democratic regime proposed by 13 political parties and about the proposals for a democratic political solution to our national crisis. [passage omitted] [end recording]

Radical Party Secretary Ricardo Navarrete said:

[Begin Nevarrete recording] We have said that before facing our national problems, we must first reach an understanding and a dialogue with the Armed Forces. Therefore, the comments of such a high-ranking officer as Adm Merino please us. At least one government representative is aware that this is a way by which we can face national problems. Unfortunately, we understand that Adm Merino's attitude is not that of the government, which has persistently and scornfully insisted on complying with a Constitution that does not lead to democracy. The official attitude insists on following a timetable that does not solve national problems but makes them worse. [end recording]

Social Democrat leader Rene Abeliuk also discussed Adm Merino's comments:

[Begin Abeliuk recording] We have always said that there is no other solution to the Chilean problem than an agreement between the Armed Forces and the democratic citizens with a very clear objective: to recover democracy. [passage omitted] [end recording]

Enrique Kraus, former interior minister of the Christian Democrat government of President Frei, spoke about the matter:

[Begin Kraus recording] Merino's comments are favorable. At a time when the atmosphere is hopeless and full of tension, it is favorable that a Government Junta member like Adm Merino should state that it is convenient to talk, and thus begin the rational dialogue. This shows a favorable change of attitude. [passage omitted] [end recording]

Thus dialogue has been proposed. Observers agree that this could provoke a change in the coming political scene and that a split between government and people due to lack of dialogue might be prevented. Christian Democracy President Andres Saldivar qualified Adm Merino's comments as positive because Merino said he is willing to meet with all sectors, including the democratic opposition ones.

[Begin Saldivar recording] I cannot speak for the whole party, but my personal reply is that Adm Merino's comments are very positive because this is the first time an important government representative has said he is willing to establish a dialogue. I favor a dialogue, as I said a long time ago. [passage omitted] [end recording]

Meanwhile, Sergio Molina, coordinator of the National Accord for the Transition to Full Democracy said: Yes, I am willing to talk with Adm Merino. Molina said he is very interested in meeting with the Government Junta member, and added that the admiral's statements are very important.

[Begin Molina recording] [in progress] ... because comments by an important government official like Adm Merino, who has publicly stated this, means an important step forward. According to the newspaper, his comments do not mean that negotiations have begun, but I think they really have. The important thing is to have the opportunity to talk. I think this is the most important thing at the moment in Chile. [end recording] [passage omitted]

CUADRA VIEWS DIALOGUE, MERINO'S REMARKS

PY021429 Santiago Radio Portales in Spanish 2300 GMT 1 Oct 86

[Excerpt] Minister Secretary General of Government Francisco Javier Cuadra has said that the talks that may be held between the government and the opposition on specific issues should not be mistaken for a formal and regular dialogue on political topics. he said, however, that it was interesting to notice that some dissident sectors appear to be willing to reconsider their positions.

[Begin Cuadra recording] That is an interesting fact, but time will show how far they will go. As positions become clearer it will be possible to establish more formal relations with the government. On the other hand, as President Augusto Pinochet said in his address to the nation on 11 September, the government is resolutely making progress toward the approval of a law on political parties. Based on this law, which will be ruling Chilean political life early in 1987, it will be possible to determine who's who in Chilean politics, that is, who enjoys the people's support and who has stable and strong [words indistict]. [end recording]

Minister Cuadra was referring to the statement made by Admiral Merino on 1 October in connection with a possible dialogue between the government and the opposition. Following a cabinet meeting presided by President Pinochet, Cuardra said that the statement by Adm Merino is to be considered relative to a conversation between people who hold different views on a given subject. Cuadra explained that this is a natural and frequent conversation. The government does hold private talks on specific subjects with some opposition leaders. The events of the past 60 days, particularly the discovery of the arsenals and the attempt on the president's life, have justified the government's position toward the opposition, he said. [passage omitted]

12 POLITICAL PARTIES SIGN NEW DOCUMENT

PY022100 Santiago Radio Chilena in Spanish 1700 GMT 2 Oct 86

[Excerpt] A few days ago, the Chilean democratic political parties issued a document that is considered very important by observers. It is called "The Basic Principles of a Democratic Government," and is signed by the following: The Christian Democratic Party, the National Democratic Party, the Humanist Party, the United Popular Action Movement, the Chilean Socialist Party, the Historical Socialist Party, National Party, Radical Party, Republican Party, Liberal Party, Social Democratic Party, and the Popular Socialist Union.

Among other things, the document expresses the need to establish a dialogue with the Chilean Armed Forces and Carabineros to reach an agreement regarding important and urgent matters such as the peaceful transition toward democracy.

Within this context, national and international observers believe that the declarations of Navy Commander Admiral Jose Toribio Merino, and Air Force General Fernando Matthei are very important. [passage omitted]

DETAINEES HELD INCOMMUNICADO TRANSFERRED

PY030007 Santiago EL MERCURIO in Spanish 27 Sep 86 p C-2

[Excerpts] Valdivia -- According to sources close to the Valdivia Vicariate of Solidarity, Beatriz Gudrun Brinckmann Scheihing, a professor of German-Chilean descent, is being held at the Valdivia detention center along with 11 other people who were arrested last week on charges of being members of terrorist organizations.

The source said that acting on orders from Judge Advocate Arturo Ruiz, on the evening of 24 September, the detainees were transferred to the Isla Teja Prison, where they are being held incommunicado. Judge Advocate Ruiz went to Santiago to attend his mother's funeral. It was also reported that the detainees are not allowed to receive any personal items from outside the prison.

Brinckmann, a teacher at the German Institute of Valdivia, has been charged with being the editor of the underground magazine "Don Reca," a monthly Spanish language publication that criticizes the regime, advocates subversion, and carries distorted information in Chile. In addition, she was charged with being in possession of subversive documents and planning acts of sabotage in Valdivia. [passage omitted]

Brinckmann has also been charged with heading the Valdivia committee of the outlawed Communist Party. Beatriz' parents have said that they hired a lawyer in an effort to have their daughter released on bail. It has been unofficially reported that the 12 detainees will be held incommunicado for another 5 days.

On 20 October, Horst Kriegler, the FRG consul in Concepcion, visited Beatriz Brinckmann at the CNI [National Intelligence Center] headquarters in Valdivia. The consul talked with her and obtained permission for her to receive clothing and medicine for her stomach and bronchial problems.

BARCO CALLS FOR ACTION AGAINST POVERTY, DRUGS

PA020421 Bogota Television Service in Spanish 0000 GMT 2 Oct 86

[Dario Fernando Patino report from New York]

[Text] President Virgilio Barco's tour through the United States took him to New York today. Here, at the UN headquarters, the Colombian head of state demanded that this organization assume responsibility for implementing a very ambitious program to fight absolute poverty. He also stressed Colombia's efforts to fight drug trafficking.

Barco arrived at the United Nations at 0945 and was greeted at the entrance by the UN secretary general, Peruvian Javier Perez de Cuellar. At the same place where over 10 heads of state -- ranging from Ronald Reagan to Corazon Aquino -- have spoken during the last 15 days, Barco again broached the problem of the international financial crisis and said that we are facing a decapitalization of the economy. He noted that Colombia will join in the international condemnation of racism in South Africa. In his statements concerning our country, Barco stressed the efforts that have been made to fight the scourge of drug trafficking, emphasizing that our country is waging a historic battle against drug production, trade, and abuse.

[Begin Barco recording] Even though we have paid a very high and painful price, I wish to set on the record before this Assembly that my country will continue the struggle against these inhuman forms of crime without hesitation. In order for this struggle to be successful it is indispensable that the countries with the highest levels of consumption of these degrading substances implement -- as is at last being done -- concerted programs to penalize and discourage the consumption and trade in these types of drugs. [end recording]

Barco recalled that despite all the efforts made in Colombia to promote development and well-being, there are approximately 6 million people at the absolute poverty level in our country. He then called on Latin America to cooperate in eradicating this evil.

[Begin Barco recording] We are presently faced with a dramatic situation as far as poverty is concerned. Twenty-five percent of our population, or 6.5 million people, are enduring absolute poverty. Outright unemployment and underemployment are affecting over one third of th economically active population. From here, I make an appeal to the countries of Latin America and the entire world as well as to international organizations to launch a concerted, solidaristic action against such a degrading social scourge. [end recording]

It must be noted that on this occasion attendance at the UN plenary session was not quite as heavy and that the applause was not as long as in other cases.

REBEL COLUMN BLOWS UP CHEVRON PUMPING STATION

PA030052 Bogota EL SIGLO in Spanish 30 Sep 86 pp 1, 3

[By Eduardo Carrillo]

[Excerpt] A column of the pro-Castro National Liberation Army (ELN) has blown up a pumping station of Chevron, a multinational oil company. The attack produced property damage amounting to more than $1 million, but no one was injured.

Spokesmen for the 5th Army Brigade and the National Police have reported that approximately 40 men wearing military uniforms and carrying modern weapons entered the oil camp around 0100 on Monday.

They attacked the Chevron camp located in Puerto Lleras, between the corregimientos of Puerto Leon and Aguas Claras, in the municipality of Cucuta, in northern Santander Department, on the border with Venezuela.

Once inside the installations, the authorities said, the rebels hoisted flags of the so-called ELN and the National Guerrilla Coordinating Board (CNG) and distributed propaganda from those two subversive organizations.

The ELN clandestine bulletins state that this group will continue dynamiting the pumping stations of the foreign companies and that it is opposed to Colombian oil going to other countries.

All the employees were forced to leave the camp area and then, the official spokesmen reported, the rebels dynamited all the installations of Chevron, causing more than $1 million, approximately 200 million pesos, in property losses.

The explosions destroyed three valves and two generators. Army and National Police elements were air-transported to Aguas Claras Corregimiento in an effort to make contact with the ELN column, which in recent months has been attacking multinational oil companies and kidnapping their executives.

The rebel column has attacked not only oil installations but also Colombian Army and police forward posts as well as units on the border with Venezuela.

Other sources have reported that the guerrilla attack took place after Chevron refused to satisfy a demand for millions the the rebel group had made.

It has also been reported that the 5th Brigade headquarters has alerted the Venezuelan National Guard about the situation so that it may increase its watch and control operations along the border because it is believed that the large guerrilla column entered that territory to escape from the national authorities. [passage omitted]

POLICE DISCOVER 10 COCA FACTORIES, AIRSTRIPS

PA021640 Bogota EL TIEMPO in Spanish 29 Sep 86 pp 1-a, 7-a

[Text] Deep in the Amazon region, the National Police dealt one of the worst blows ever to drug trafficking when they discovered 10 coca factories that were interconnected by 16 airstrips. Large drug shipments were sent from these airstrips to the U.S.

A National Police General Directorate spokesman made exclusive statements to EL TIEMPO about this operation, which lasted more than 15 days, and caused the disbanding of mafia groups that worked together in the area bordering with Peru and Bolivia.

According to police, the Colombian drug traffickers processed the coca paste, which arrived on Mondays, Wednesdays, and Saturdays from Bolivia and Peru in DC-3 planes that landed at night in order to avoid the authorities.

Southern Unified Command (CUS) troops stationed in Leticia participated in the large operation that launched the attack on the drug traffickers, who had established an empire of laboratories in the Amazon.

One of the biggest blows was dealt at La Primavera farm, owned by powerful chieftain Alfonso Rivera, who had sold it to Evaristo Porras. However, Porras failed to pay Rivera and had to return the farm to him, thus losing his investment in this million-dollar business.

According to the U.S. "black list," Rivera, a lieutenant of one of the largest drug bosses in Valle del Cauca, financed the shipments of coca paste from Peru to the Amazon jungle.

The police explained that this drug trafficker is the owner of El Barrigon farm, in the Amazon Trapezoid [Trapecio Amazonico], where he hired an entire Indian tribe to carry coca on their backs through the jungle, this after crossing the large river that separates Colombia and Peru.

The blow was dealt after the death of Camilo Rivera, Alfonso's brother, who died in a plane accident in the Amazon and was secretly buried in Bogota. Camilo Rivera's wife, it may be recalled, was kidnapped several months ago as part of a mafia vendetta. A 50-million peso ransom was paid for her release.

The airstrips bombed by the National Police included those of Nuevo Mexico, Loreto Yoco, Aguas Blancas, Cocha Redonda, Boyabasa, and Mocagui. Some of them were paved and measured more than 1,200-meters long.

The Nuevo Mexico airstrip had been enlarged to receive DC-3 planes that arrived on weekends to pick up the drugs. This particular airstrip was 2,600-meters long, was lighted, and had been paved. It also had drainage to facilitate air operations.

The police spokesman disclosed that several underground warehouses where the drug traffickers kept fuel for the airplanes were discovered, as well as some processing installations.

Apparently, Jose Manuel Santacruz Giraldo -- another Valle del Cauca boss -- Pablo Escobar Gaviria, Hector Henao, Carlos Lehder Rivas, and Evaristo Porras operated these drug installations together. Authorities have reported that these men are drug trafficking bosses.

The result of the operation was the following:

Material seized: 590 gallons of acetone, 203 gallons of sulphic acid, 3,878 gallons of ethyl gasoline, 150 liters of hydrochloric acid, 250 gallons of ether, 10 laboratories, 16 airstrips, and 5 planes.

This base also served as a connection between Colombia and the Bahamas and had become the main base, after large drug laboratories were dismantled in Caqueta, including those of Tranquilandia and Villacoca.

The Amazon Trapezoid base had practically taken over all the drug business. The largest shipments departed at night because there wa no surveillance by the authorities. Even if there were surveillance, the jungle made it easily avoidable.

GENERALS ACCUSED BY VARGAS PAZZOS DISCHARGED

PA030257 Paris AFP in Spanish 2345 GMT 2 Oct 86

[Text] Quito, 2 Oct (AFP) -- Two high-ranking officers of the Ecuadoran Army, who have been charged with allegedly incorrect acts by the rebellious general of the Air Force, Frank Vargas Pazzos, have been discharged through a decree signed by President Leon Febres Cordero disseminated here today. According to the decree, Generals Luis Peneiros, former defense minister, and manuel Albuja, former Army commander in chief, have been discharged.

During the time when he functioned as commander in chief of the Air Force and joint chief of staff of the Armed Forces, Vargas Pazzos rebelled in March and militarily occupied two air bases, from which he made serious accusations against the president himself.

The resignations of Pineiros and Albuja were part of a preliminary arrangement for Vargas Pazzos' surrender. Vargas Pazzos made several charges against the two officers regarding alleged mismanagement of military funds. The two officers had resigned and Vargas Pazzos also surrendered, but the next day, after the regime reportedly did not fulfill its part of the bargains, Vargas Pazzos occupied the second base, in which he was taken prisoner after a shootout that left several wounded.

Later, only one of Albuja's alleged incorrect actions was proved true. He had used military personnel and material to carry out construction work at his home.

PRESIDENT NAMES ACTING FINANCE MINISTER

PA020403 Quito Voz de los Andes in Spanish 1130 GMT 30 Sep 86

[Text] President Leon Febres Cordero has officially announced the designation of Domingo Cordobez Perez, Finance Ministry undersecretary of administration, as finance minister. The undersecretary is replacing former Minister Alberto Dahik, who was tried by Congress and dismissed from his post. Their president issued Executive Decree No. 2252 whereby he designated Cordobez as acting minister until a new minister is designated.

STATE OF EMERGENCY EXTENDED ADDITIONAL 60 DAYS

PY022316 Paris AFP in Spanish 1921 GMT 2 Oct 86

[Text] Lima, 2 Oct (AFP) -- The Peruvian Government today extended the state of emergency and the suspension of constitutional guarantees for an additional 60 days in 20 provinces, which have been affected by terrorism for 6 years.

Meanwhile, the police today reported that a Republican Guard and two civilians, a man and a woman, were shot while another guard was wounded last night by a Shining Path column. The attack came as the victims were eating in a restaurant in the Santa Ines District of Huancavelica Province, 522 km southeast of Lima.

The exceptional measure, which allows the Armed Forces to take charge of the political and military power, is valid for seven provinces in the Ayacucho Department -- bastion of the Shining Path guerrillas -- seven in Huancavelica, four in Huancuco, and one in Apurimac. The state of emergency was also extended to include the newly created Sucre Province, thus bringing to eight the number of affected provinces in the Department of Ayacucho.

According to the Military Joint Command, the Maoist terrorist group continues its armed struggle in these four departments, although they have been dealt serious blows by the forces of order.

In the Port of El Callao, where urban areas are also affected by terrorist violence, the state of emergency is still in force along with a curfew from 0100 to 0500 local time.

MINISTER ALVA CASTRO SPEAKS ON DEBT AT IMF

PY021826 Paris AFP in Spanish 0154 GMT 2 Oct 86

[Text] Washington, 1 Oct (AFP) -- Today Peru warned its creditors that in the future it will reduce its payments even more because its payment ability has decreased, and reiterated its position that the foreign debt problem demands overall solutions and a reform of the international monetary system.

Peruvian Prime Minister Luis Alva Castro, who last year said at the annual assembly of the IMF that the institution had lost its legitimacy, today delivered a more moderate speech before the same assembly emphasizing that the measures proposed by the IMF are for the most part inadequate and counterproductive.

Alva Castro indicated that President Alan Garcia's decision to allocate 10 percent of export revenues to pay the foreign debt is for Peru the only realistic choice to prevent the declaration of a moratorium.

He explained that his country had to allocate most of its resources to remain current with its payments to the World Bank and the IDB, which are the only institutions still lending money to Peru, and that there had been difficulties with those two institutions, which tried to prevent the paralysis of the loans.

Alva Castro pointed out that many of the credits from those two institutions are export credits from industrialized countries, which demand the importation of goods and services beyond that which is strictly necessary.

Regarding Peruvian payments to the IMF, which has declared Peru ineligible for further loans, Alva Castro said that they should have made payments totaling $250 million during the last 12 months, which is equivalent to 7 percent of Peruvian exports. [sentence as received]

Alva Castro gave detailed information on the Peruvian economic situation and justified the measures adopted by his government. He indicated that the reduction in servicing the foreign debt allowed Peru to increase its investments, allowing the state to become reactivated.

He added that Peruvian production will increase 6 percent in 1986, but will still be under the 1982 level, and that in order to get the same production per capita as achieved in 1976, it will have to increase production by an annual rate of 6 percent until 1990.

He said that as a result of the drop in oil and mineral prices, Peruvian exports in 1986 will be reduced by 20 percent, $600 million less than in 1985.

He added: I would like, therefore, to say that the payment capacity of the country will be practically nil. The only payment that could be made will be equal to the amount received from new credits, because it is obvious that the country cannot use its scarce reserves to pay the debt.

Alva Castro emphasized that only a long process of production expansion can prevent an economic, social, and political collapse, and that this is the only way Peru will be able to pay the debt in the future. He added that making the people hungry in order to pay the debt is not only unacceptable from the moral point of view, but also absolutely impossible because of the resulting deterioration of the Peruvian standard of living.

Alva Castro insisted that neither Peru nor any other country of the Third World can solve their problems through the INF's traditional measures. Peru does not intend to isolate itself. What has happended is simple: The Peruvian ability to pay the debt is almost nil.

In conclusion, the Peruvian prime minister said: There is really no way to further tighten the belt, (...). Therefore, I would like to ask the international community to understand us. Do not push our country to a dead end.

FOREIGN MINISTER WAGNER RETURNS FROM UNGA

PY022137 Paris AFP in Spanish 2057 GMT 2 Oct 86

[Text] Lima, 2 Oct (AFP) -- The Peruvian Foreign Ministry reported that Foreign Minister Allan Wagner Tizon returned to Lima today after attending the UN General Assembly in New York. During his stay, the Peruvian foreign minister held a meeting with U.S. Secretary of State George Shultz, during which bilateral issues were discussed. Wagner traveled to New York on 18 September and returned to Lima at 0200 local time (0700 GMT) today.

DE LA MADRID INTERVIEW ON CENTRAL AMERICAN ISSUES

PM011100 Paris LE MONDE in French 20 Sep 86 pp 1, 6

[Interview with Mexican President Miguel de la Madrid by Andre Fontaine in Mexico -- date not given]

[Text] [Fontaine] Mr President, you began your "informe" [Mexican President's annual message to congress] by listing a large number of problems which Mexico is now facing. What do you think is the main problem?

[De la Madrid] I think it is still the economic problem, which grew much worse with the sudden fall in oil prices in January. To contain inflation we have strongly curbed public spending, monetary policy, and credit, but I am afraid that it might exceed its 1985 level this year. In addition, as a result of the restrictive policy we are implementing, we are seeing a tendency toward recession.

[Fontaine] Was it not rather imprudent of Mexico and other oil-producing countries to rely too heavily on oil exports?

[De la Madrid] Undoubtedly. In Mexico's case, oil became too important to the economy, too quickly. As a result, we became too dependent on oil in the spheres of exports and public finances. When international oil prices fell, we suffered the consequences which are extremely serious.

[Fontaine] Do you think you can reduce this dependence on oil relatively quickly?

[De la Madrid] We have made great efforts: In rewcent years there has been a considerable increase in nonoil exports, but this involves a structural change in the economy which cannot be made quickly. As with many social phenomena, the economy deteriorates much more easily and quickly than it recovers.

[Fontaine] And these changes naturally involve sacrifices for large sections of the population who already have a poor living standard.

[De la Madrid] That is true.

[Fontaine] Are you not afraid of having already reached the limit of tolerable sacrifices?

[De la Madrid] These sacrifices have been very great. Living standards have fallen, especially for the workers and middle classes. But people have tolerated the situation because -- despite some worrying trends -- employment has not really suffered. But it is not easy to maintain employment levels while combatting inflation by reducing public spending and credit. We have drawn up compensation programs, followed by major social programs in the spheres of education, healthcare, social security, the supply of essential products, and housing, and this has enabled us to compensate for the loss in real earnings.

[Fontaine] At the same time, you have a large debt...

[De la Madrid] Yes, the debt, which has increased to almost 100 billion dollars, is one of our main problems. Interest payments are a heavy burden on the balance of payments and the budget. In the last 18 or 29 months, we have had virtually no net income in the form of credit, and this is now presenting us with serious problems.

This is why we are now negotiating with the creditors on new agreements aimed at providing us with net income to reduce the effects of the lack of liquid assets on our economy. We are reaching interest rates of 100 percent and this is naturally discouraging economic activity.

[Fontaine] The agreement which you signed with the IMF gives you some breathing space, but it does not solve your structural problems...

[De la Madrid] The agreements with the IMF are essentially financial, although they take into account Mexico's efforts to bring about a structural change, especially in the sphere of finance.

The important aspect of the last agreement is that the IMF admits that there absolutely must be new growth to overcome the crisis. It accepts our argument that stagnation or recession make it impossible to solve our problems both at home and abroad. It showed greater flexibility in examining objectives in the sphere of the public deficit, drawing a distinction between the total deficit and the operational deficit. As far as the latter is concerned -- in other words the difference between income and real spending -- Mexico had a surplus over recent years. But interest payments on the debt greatly increase the deficit.

The IMF, which did not see this distinction clearly at first, realized that considerable efforts had been made in the sphere of receipts and spending to improve the economy. In addition, it accepted a link between the oil price and Mexico's needs in the financial sphere. I think this is great progress, too.

[Fontaine] Can this be seen as a sign that the Americans are showing greater understanding of your problems?

[De la Madrid] I think this is true of the IMF and the U.S. financial authorities.

[Fontaine] Is it also true of President Reagan with whom you recently met?

[De la Madrid] Yes. I noticed a change in attitude which is positive for us. [Fontaine] Some 15 years, ago Mr Rabasa, who was then foreign minister, told me that up until the Nixon-Kissinger period the Americans with whom the Mexicans had dealings fell into two categories: Those who gave them orders and those who ignored them. Do you think progress has been made since then?

[De la Madrid] I think people in the United States do not yet know enough about the different aspects of life in our country. It [the United States] is a vast country which is very inward-looking and -- for lack of information -- makes an inadequate analysis of events in the outside world. For the countries which have dealings with the United States, this is a real challenge: They must first make themselves understood. We have made considerable efforts -- which we are continuing -- to make people understand Mexico and to ensure they do not try to judge it on the basis of established models which apply to the United States but which are not appropriate for judging other countries.

[Fontaine] You still have a relatively broad area of disagreement with the United States: clandestine emigration, the struggle against drug trafficking, and of course, Nicaragua.

[De la Madrid] Relations between Mexico and the United States are very complex. Given our proximity, the extremely long land border which separates us, and the constant development of our relations, there is a vast potential for cooperation benefiting both sides, but there is also room for conflicts.

In addition to this, there is a considerable difference between levels of development: Of course, the weakest of these two countries has the most difficult challenge.

We, therefore, have emigration problems which we constantly discuss. Drug trafficking, which increases each year, seriously threatens the American people's health and contributes to the increase in delinquency. Many Americans are trying to blame the producers or the countries through which the drugs pass. But I have already frequently said that until effective measures are taken to combat consumption, the production and sale of drugs will increase because of the profit some people are making from them. Any reasonable consideration of the subject leads to the conclusion that this traffic is an international crime which must be combatted along the whole chain and not just at one link. [Fontaine] Does this mean that you might envisage agreements with several other governments to organize this struggle which also concerns Colombia, for instance?

[De la Madrid] Precisely. There will be a meeting of justice ministers from a number of Latin American countries and the United States next October, at our instigation.

[Fontaine] Turning to Nicaragua, you did not say much on this subject in your message to congress. And yet it is a major issue for you.

[De la Madrid] The Central American conflict is still a major source of concern for Mexico. It is a region which is very close to our country and what happens there has already had repercussions on our country. We have a large number of refugees from Guatemala and from other Central American countries.

[Fontaine] About how many people?

[De la Madrid] There are around 40,000 Guatemalans alone. I do not remember the exact number for all the Central American countries, but I know that it has gradually increased. We are witnessing migrations from the south to the north which affect Mexico and which are also beginning to affect the United States where an increasing number of Central Americans are seeking refuge.

Mexico thinks that the increased violence in Central America will present us all with very serious problems unless we prevent it from spreading. That is why we stress the fact that political negotiations are the only way of overcoming conflicts and especially of solving the problem of economic and social underdevelopment in Central America.

But it goes without saying that there can be no development in this area unless we first succeed in overcoming the violence and conflicts.

[Fontaine] But do you see better prospects for solving these conflicts at present? It does not really seem likely given the U.S. Congress vote...

[De la Madrid] I think that there is a deadlock at present and that the situation is even deteriorating. If you hate one of the various conflicting forces, the violence is bound to increase.

[Fontaine] The Americans are expressing the view that democracy may be contagious in Central America and that the Congress vote might help exert the necessary pressure on Nicaragua to achieve this. Do you think this is realistic idea?

[De la Madrid] I do not think this method is effective: You will not find a solution by stepping up the violence. In El Salvador, where the civil war has been going on for 5 or 6 years, the United States has provided considerable military aid. However, this has not solved the problem. Guatemala has experienced a latent guerrilla war for almost 30 years, although on a lesser scale.

[Fontaine] Are you not afraid that the violence might spread to Mexico if economic conditions deteriorate markedly?

[De la Madrid] The thing that worries us most in Mexico is a militarization of Central America and the accentuation of migration phenomena which might intensify the conflicts in the region. We have our own specific problems, but our social, economic, and political structures are very different. Therefore, I think there is less risk of direct contagion than of us suffering the indirect effects of a continuation of these conflicts.

[Fontaine] This militarization of Central America contrasts with the fairly general trend toward democratization in Latin America which is reminiscent of the process which occurred in Greece, Portugal, and Spain 10 years ago. Argentina, Brazil, Uruguay, and Peru have become democracies once again. In your congress speech, you referred to the fact that Mexican society is changing. Do you think that your country might develop into a kind of society more similar to the Western democratic societies? I am asking you this question because I have heard a great deal about the dispute over the recent election of the governor of Chihuahua.

[De la Madrid] The opposition parties have disputed the legitimacy of the Mexican electoral system for a very long time. However, it is clear they failed to win a major share of the votes. This can be explained by very complex reasons connected with Mexico's political development. In our country, the majority party emerged from a people's revolution and is a vast people's front grouping the working classes, peasants, low-income groups [classes populaires], and middle classes. As a result, the Mexican Government is very stable and this has enabled it to take effective action.

Mexico fears a weak government which would be incapable of making decisions. The opposition has hitherto failed to offer the public viable options. The right-wing parties are losing ground in fundamental areas in which there have been achievements recognized by Mexican society.

[Fontaine] For intance?

[De la Madrid] For instance, in the structure of the land tenure system, which is well established in Mexico. In the limitation of workers' rights. In the change in the rules governing education, which is public and secular, to enable religious education to be widely given. In the alteration of the rules which govern relations between the church and state in Mexico. The provisions of our Constitution in this sphere are the result of a long historical development and I do not think it is possible to go back.

On the left there are many parties and they have failed to unite. They attach great importance to political ideologies and advocate a fundamental change in the Mexican system in the political sphere and in the economic and social sphere. They aspire to establish a rather vague kind of socialism. Their ideas are very confused. It seems to be an authoritarian kind of socialism, but they do not dare tell the public this. In any case, they do not think socialism in Western Europe is real socialism. They lean toward a Soviet-style socialism.

The majority of Mexicans do not regard any of the extreme options as viable. That is why they prefer to support the majority party which reconciles interests and carries out internal negotiation among our country's social and political groups.

[Fontaine] When you talk about the development of society and the need to adapt to this development, what exactly do you mean?

[De la Madrid] I think we must understand this to mean a concept of full democracy which makes it possible to tackle not only the organizational problems of a democratic system, such as electoral problems, but also everything relating to the Mexican people's social, economic, and cultural conditions. Democracy is merely superficial unless the material conditions exist for real participation by the citizens in the political process. When superficial democracy coexists with major social inequalities, the government is in fact controlled by oligarchies. I think that Mexico must consolidate the material bases of democracy and its cultural, economic, and social foundations. The majority party has always tried to strengthen the big people's organization, the workers' and peasants' organizations, and those of low-income groups and the middle classes, to enable them to participate in the political process. This is what we mean by full democratization, which in our view goes beyond the framework of mere electoral democracy.

[Fontaine] Is there a trend toward greater participation at present or are you experiencing the same phenomenon as Europe for instance, namely a fairly profound depoliticization of society? People have become more skeptical, in many cases simply because they are better educated. Mexico has made a great effort in the education sphere. Has this had the same effect?

[De la Madrid] Quite the reverse has happened. I can see a growing politicization of the middle classes which have been created by urbanization: There is a greater spirit of criticism, more information, and a greater capacity to make proposals and mobilize people. This capacity does not necessarily appear in the election figures; election participation in Mexico remains relatively low -- 50 percent for the parliamentary elections for instance, which is comparable with what is happening elsewhere, but 75 percent for the presidential election. But I think that democratic participation should also be assessed according to the organizational capabilities of the different social groups which take part in political life every day and not just in the elections.

[Fontaine] There is at present a faction in the PRI -- the majority party -- which is calling for greater internal democracy. What do you think of that?

[De la Madrid] Throughout its history, the party has struggled for the democratization of society and for internal democracy. This group, which claims to be new -- which has not yet said whether it is small or large -- offers nothing new. Furthermore, the party has for some years been improving its system for the internal selection of candidates, especially at municipal and state levels. Therefore, there is a movement aimed at achieving this which can already claim practical achievements. Democratization is, therefore, the party's banner, not just that of a group within the party. What practical form does this take? It takes the form of a very broad discussion within the party. The party has sections: worker, peasant, and low-income sections; the section organizations want each section to put forward its candidates and for there to be negotiations among the sections so the party can choose its candidates. There are other groups -- mainly those which belong to the party's regional organizations -- which want the regional assemblies to put forward the candidates without reference to the sections. We are approaching this issue with great pragmatism to maintain the party's unity and we are adapting the methods for selecting candidates according to the regions and the influence of the sections of organizations.

[Fontaine] One of the problems which you discussed in your message is the birthrate problem. The birthrate is still very high in Mexico. And abortion is still illegal...

[De la Madrid] Abortion is a crime unless it is for therapeutic purposes or after rape. However, abortion is common in Mexico. We have taken a major step forward with regard to the population growth rate: In the sixties, the Mexican population was growing at the rate of 3.5 percent.

[Fontaine] That was one of the highest rates in the world.

[De la Madrid] Yes, one of the highest. But in the seventies, we adopted a policy of quantitative control through family planning systems, based mainly on the health and social security systems. We expect the population to increase at the rate of 2 percent this year. And our aim is to achieve a rate of 1 percent by the year 2000. We have attained the objectives laid down in our program and these positive results have been produced by action in the education and health care spheres rather than by force.

[Fontaine] Does the church do much to oppose this policy?

[De la Madrid] I think it now has a more flexible attitude: It argues about the methods but admits that Mexico must reduce its birthrate.

[Fontaine] Relations between the Republic and the church seem to have changed markedly. The church now plays a very important role.

[De la Madrid] The church has always had an important role in Mexico, although the history of its relations with the state is full of conflicts. This is a result of our history. In colonial days, there was virtually complete unity between church and state. When independence came, the liberal party advocated a new definition of their relations, whereas the conservative party wanted to maintain the colonial status. There were major conflicts on this issue in the last century. The conservatives' motto was: "Religion y Fueros," in other words religion and privileges. On the other hand, the liberals wanted to separate the two spheres of action. In the middle of the 19th century, after violent fighting, the principle of the separation of church and state was established. A similar phenomenon occurred during the revolution in the early 20th century, and very strict laws were passed to enshrine the principle of the separation between church and state.

The church, which owned half of the national territory last century, was banned from owning property. A secular education system was created. This led to a religious war in the twenties in which 250,000 people were killed. But in recent years, a satisfactory agreement has been established between church and state. Religion is respected and there is tolerance even in the strict application of our laws. Some people now want to review the question, but I think this would produce new social conflicts.

[Fontaine] Do you think that diplomatic relations with the Vatican might be restored one day?

[De la Madrid] The situation must be right before we can reexamine the question. I do not think it is possible at present.

[Fontaine] In conclusion, can I ask you how you view Mexico's relations with France?

[De la Madrid] I think there is a very good level of political relations in which there is good will on both sides. However, we would like to have deeper and broader relations with France, especially in the economic and commercial spheres.

[Fontaine] Do you regret the closure of the Renault factories?

[De la Madrid] Of course, it means job losses. However, I think this is a phenomenon which affects Renault at an international level; it is not a problem which affects Mexico alone.

[Fontaine] Are there other points on which you would like to convey a message to the French people?

[De la Madrid] I would like to reaffirm the Mexican people's and government's desire for closer ties with France. I would like there to be a better understanding of our country -- understanding is the basis for relations. I would naturally like people to understand that ours is a different country, and I would like them to try and understand us directly, not on the basis of information provided by third parties.

PRC TO INVITE DE LA MADRID FOR OFFICIAL VISIT

FL301936 Mexico City NOTIMEX in Spanish 2053 GMT 29 Sep 86

[Text] Mexico City, 29 Sep (NOTIMEX) -- The government of the People's Republic of China will invite the president of Mexico, Miguel De la Madrid, to make a 3-day official visit to that nation, Chinese Ambassador Li Chao announced here.

The invitation to the Mexican chief executive is for the purpose of activating political relationships between both countries, Li Chao stated. He said that during President De la Madrid's visit -- which Chinese officials anticipate will take place in late November and early December -- agreements might be signed for collaboration on industry, science, culture, and sports.

In regard to commerce between both countries, the diplomat mentioned that in 1985 China imported products worth 70 million dollars from Mexico, and that this year it has obtained steel, copper, zinc, and synthetic fibers while selling cotton and lubricants, among other products. Additionally, Ambassador Li Chao announced that next October, a Chinese folk ensemble will participate in the 14th International Cervantes Festival.

GOVERNMENT TO EXPEL 'ANY CIA AGENT' IN PANAMA

PA030239 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Oct 86

[Text] There is no mechanism that allows the United States to investigate any institution in Panama, and if we find out that there are any CIA agents in our country, we will expel them. Panamanian Foreign Minister Jorge Abadia made these statements:

[Begin recording] [Abadia] When we talked about those matters before, I said that a lie told 1,000 times winds up becoming a true statement. Possibly, one of those who approved this is falling into this habit. However, we are not afraid. Our country, government, people, and consciences are very clean. We are not afraid. Of course, as we have said in our protest notes, we have conducted all the investigations that a sovereign country must conduct and they have shown we have made a tremendous effort to eradicate that scourge, as we call it. Therefore, we are not afraid.

But, we do want to reiterate that the Government of Panama and its people cannot be constantly taking to the streets to show that we are innocent. Those who claim we are guilty should prove it. We must devote our efforts to resolving the problems of our people instead of responding to those who are confused and misplaced and whose only intention is to harm Panama. It is high time to put things in their right place.

[Reporter] Could you tell me what mechanism they could use, asking the Panamanian Government for permission, of course, to meddle in our internal affairs?

[Abadia] There is no mechanism to interfere in Panama's internal affairs. That is our exclusive concern. If that was confirmed -- but it has not been -- the Panamanian Government would request the immediate expulsion of those individuals. [end recording]

Noriega on Helms, U.S. Ties

PA020440 Panama City Televisora Nacional in Spanish 0000 GMT 2 Oct 86

[Text] General Manuel Antonio Noriega, commander of the Defense Forces, has returned to the country after a tour through Europe and the United States. The Defense Forces commander went to the Presidential Palace this afternoon where he was questioned by a large group of journalists. Gen Noriega pointed out in his opening statements that Senator Jesse Helms' proposal had not been endorsed by the House of Representative and, in his opinion, this proves Helms' intentions will fail. Referring to the controversial North Carolina representaive, the Panamanian commander defined him like this:

[Begin Noriega recording] He is one of those madmen who exist in all the countries of the world. [end recording]

Asked about an official statement from the Defense Forces of Panama to the U.S. Government, Gen Noriega said:

[Begin recording] [Noriega] Col [Roberto] Diaz and the general staff issued a historic statement last week concerning our position; we strongly support it and will continue to support it anywhere. It represents the Defense Forces' dignified position, and the U.S. Government officials know about it.

During my visit, I had the opportunity to talk with U.S. Government officials and they asserted coordination with Panama, respect for Panama, and accepted the Panamanian statement as something which is intrinsic to the Panamanian people's sovereignty and self-determination.

[Question] Why is the Defense Forces commander and general staff at the presidency?

[Noriega] We have come to present a report about our trip and my visit to the United States to the president. [end recording]

Referring to the CIA agents' investigation in Panama, ordered by the U.S. Senate, he replied:

[Begin Noriega recording] Well, the same mechanism of their investigation... [chuckles] it is similar to our sending the DENI [National Department of Investigation] there to investigate Kennedy's murder. Therefore, those duties are not intrinsic to the CIA. [end recording]

Asked about future changes in the relations between the two countries, Noriega replied:

[Begin recording] [Noriega] Relations between Panama and the United States must be maintained because we are partners in a mission: a historic transfer of all the land and systems to handle the Canal. Therefore, we must be wise, we must be sensible, and we must be very professional in these relations; we cannot be demagogic or overly chauvinistic in our relations with the United States. We are in a period which requires maturity and an official seriousness in this regard.

[Question] General, can you summarize your recent trip abroad?

[Noriega] Well, we went to Sweden, where we participated in the military industry with the Swedish Government and members of the directorate board. [sentence as heard] We went to see that professional mechanism, as well as other aspects of the Swedish defense system. Everyone knows that Sweden has a common border with the Soviet Union, and it has problems with the Soviet Union. All that is of interest to the Defense Forces, professionally speaking.

While in the United States, I met with the top-level officials who make the decisions; they have stated their support of Panama because they are aware of our constant efforts for an overall democratization. I could perceive that Jesse Helms is a missile without a range adjustment [sin reglaje], and he is a madman who is causing many problems for President Reagan's government. I quote these expressions, which have been underscored by those top-level officials. [end recording]

Referring to the United States' mature attitude, the top-level military officer replied:

[Begin Noriega recording] The basic defense and security organizations have...[changes thought] the truth is that the United States is a complex mechanism. There are security groups and political groups; we feel that the security groups are acting cautiously and wisely. The political groups are subject to the same policies, they are subject to lobbying in their sector. I would like to mention one of the things which these top-level U.S. officials said: They cannot be held responsible for the bad Panamanians who go to sell their homeland, and they cannot be held responsible for the existence of a Bunau-Varilla.

Whenever someone puts himself on sale, there is always someone who buys him. Consequently, the slaver is not guilty, only the slave who offers himself to be chained. Thus, that is the message to the Panamanians who are over there issuing statements and paying a lobby against the Republic of Panama and the Panamanian youth. [end recording]

Regarding the Panamanian people's unity against the U.S. aggression, Commander Noriega said:

[Begin Noriega recording] All these statements by Helms... [changes thought] we must congratulate Helms. Helms has united Panama. Helms has united the youths. Yet, what he is doing is very dangerous because we do not know how long the Panamanian people will withstand Helms' antics. Anyway, we must congratulate Helms because he is uniting us, he is uniting us quite well, and he is provoking us to separate the wheat from the chaff. Therefore, the position adopted by the Legislative Assembly -- and Legislators Rigoberto Paredes, Luis Gomez, and Romelia de Pardo in a symbolic protest with their hunger strike -- was adopted on behalf of the Panamanian people. [end recording]

Gen Noriega stated his viewpoint concerning reforms to the Social Security Institute.

[Begin Noriega recording] We are part of the problem, meaning our troops and officers pay a sizeable amount to the retirement fund. Consequently, we are quite concerned about the resolution of this problem. This problem does not only affect a given group, it affects all Panamanians. We are concerned, as Panamanians, and want to help achieve the best solution becasue we represent a group -- and we will defend the people in our group. [end recording]

Legislators End Hunger Strike

PA021606 Panama City Televisora Nacional in Spanish 0000 GMT 2 Oct 86

[Text] Three Democratic Revolutionary Party [PRD] legislators ended their hunger strike with a huge rally after having accomplished their goals: energetic rejection by the legislative assembly, the National Democratic Union, and the president of the U.S. Senate's resolution. Legislators Romelia de Pardo, Luis Gomez, and Rigoberto Paredes ended their strike at 1400 today. They carried out the hunger strike in the presence of PRD President Romulo Escobar Bethancourt, fellow party members, and sympathizers.

At the meeting, which took place across from the U.S. Embassy, people burned an effigy of U.S. Democratic [as heard] Senator Jesse Helms, author of the resolution which is considered as interventionist in the country's internal affairs.

Once the act in front of the U.S. Embassy was over, the demonstrators marched to the Legislative Palace, where they were met by the Assembly's president, Ovidio Diaz. Another effigy of Senator Jesse Helms was burned there by the PRD members present.

ALLEGED CONTRA TRAINING TO BE INVESTIGATED

PA030334 Paris AFP in Spanish 2047 GMT 3 Oct 86

[Text] Panama City, 2 Oct (AFP) -- Today, the Panamanian Government announced it will investigate the alleged training of foreign troops, including Nicaraguan contras, on U.S. bases along the banks of the Panama Canal.

During a hearing at the Legislative Assembly, Panamanian Foreign Minister Jorge Abadia stated that Panama has the "adequate" mechanisms to determine if the United States is committing "those irregularities" that violate the 1977 Torrijos-Carter Panama Canal Treaties. Abadia announced the start of investigations in reply to questions by progovernment legislator Luis Navas Pajaro, who stated the United States is training Nicaraguan contras and Salvadoran regular forces at the Sherman Base located in Colon.

Navas Pajaro based his charge on reports by peasants from the Colon area stating that for the past 3 months, approximately 50 Nicaraguan contras have been trained at the Sherman military base. The legislator added that now Salvadoran troops from the Atlacatl Battalion -- specializing in counterinsurgency operations -- are also receiving training at the U.S. base.

Foreign Minister Abadia acknowledged he doubts those allegations are true. He said the Panamanian Government will investigate the case "with all its resources."

Abadia recalled that the Torrijos-Carter treaties state the U.S. bases in the Panama Canal Zone can only be used to train troops to defend the Canal. In that respect, the Panamanian foreign Minister felt a U.S. Southern Command spokesman had committeed a serious "contradiction" by publicly admitting that Puerto Rican National Guardsmen had been trained in mountain survival techniques at the Sherman Base.

Abadia stressed that if Navas' charges are confirmed, Panama will demand "an immediate end to those irregularities" and will demand that the United States faithfully comply with the 1977 Canal Treaties.

Moreover, Legislator Navas Pajaro stated the investigation announced by Foreign Minister Abadia will have a major impact on the upcoming congressional elections in the United States, "where many senators went to be reelected, defending the premise of intervention in Central America."

BRIEFS

ALLEGED DRUG SMUGGLERS ARRESTED -- Edgar E. Martinez, Gilberto Arauz Toro, Victor Aponte Gomez, and Manuel S. Henao are behind bars after the first two attempted to smuggle 1,360 grams of cocaine, the third 200 grams, and the fourth 370 grams. [Text] [Panama City EXTRA in Spanish 1 Oct 86 p 16 PA]

GUATEMALA

CEREZO INTERVIEWED ON DOMESTIC, FOREIGN ISSUES

PM021300 Madrid YA in Spanish 28 Sep 86 p 25

[Interview with Guatemalan President Vinicio Cerezo by R. Diaz-alejo -- date, place not given]

[Text] [Diaz-alejo] This will be the first time a head of state of your country has paid an official visit to Europe. We would like to know the basic aim of this visit.

[Cerezo] The prime aim is to continue overcoming the isolation, both political and economic, to which Guatemala has been subjected in recent years. We believe this visit will consolidate confidence in Guatemala's process of democratization and enable us to secure resources -- both donations and very low interest loans -- that will permit us to consolidate our economic reorganization program and initiate the process of economic reactivation during the coming year. We consider these two objectives essential to the democratization process. I must say there is a great amount of anticipation and interest on the part of the European governments, since this is indeed the first time they have extended official invitations for the Guatemalan president to visit them.

[Diaz-alejo] With regard to regional policy, do you believe that your visit to five or six European countries could encourage the EEC to help resolve the Central American crisis?

[Cerezo] Undoubtedly, yes. The European countries' interest in the new policy of active neutrality we have proposed for Central America and in our proposal for the establishment of a Central American parliament is evident. They have been seeking ways of supporting the democratization process in Central America. The Central American parliament will provide us with a forum in which to reach agreement on development plans for the entire region and enable us to ask the EEC for solid support for the region's development.

[Diaz-alejo] Europe is always talking about economic assistance and aid for a united Central America, excluding none of its countries. Is Guatemala's policy of active neutrality guided by the same theory, the same viewpoint?

[Cerezo] Of course. There is a point that should be made here, however. Europe has always seemed concerned that economic aid to the Central American countries should go not only to the governments but to the populations themselves, which is why they were interested in Guatemala's plan, because we are developing economic programs to help the population.

[Diaz-alejo] You are embarking on your tour as Guatemala's first democratic leader of recent times -- the first civilian president since 1970 -- but there have certainly been criticisms abroad of alleged human rights violations or acts of repression. I assume that questions will be asked about this too in Europe. What is Guatemala's position and what is the real situation with regard to human rights?

[Cerezo] There have indeed been some serious criticisms of Guatemala by certain organizations aboard. I would say this is due to the basic point that every kind of violence in Guatemala is believed to derive from political problems. We all know that in Guatemala there has been a major increase in crime -- a phenomenon that has occurred in all countries embarking on a democratization. It occurred in Spain and it has occurred in various South American countries, and people abroad interpret the deaths due to crime as deaths due to political causes.

This is why we have been attacked on human rights issues. The information that has been spread abroad is inaccurate.

We Guatemalans all know that hitherto no political leaders or people's organizations of any kind have been persecuted or subjected to violent repression. There is not a single instance of repression, except in the case of the murder of a trade union leader for trivial motives as he was leaving a restaurant one night, and a suspect has been detained and is now in prison. As for the confrontation between the guerrillas and the Army, I believe it cannot be attributed to political problems.

[Diaz-alejo] On the afternoon of 29 September, you will address the UN General Assembly in New York. What will you tell the world from that forum?

[Cerezo] It is a major opportunity to explain to the world the individual characteristics of the democrtization process that we are carrying out in Guatemala -- a process that is not driven forward by an individual or a political party but that is the outcome of a concerted effort by all Guatemalans. Second, we will explain that Guatemala intends to regain an international initiative for peace in the region. Last, we will give our interpretation of the critical situation of violence worldwide. We believe that violence is an obstacle to the developing countries because it forces us to spend on weapons what we should be spending on satisfying the population's needs.

[Diaz-alejo] In view of your government's policy of neutrality, could Guatemala join the Nonaligned Movement?

[Cerezo] We have started discussing such a possibility, but have decided not to do so this year. The policy of active neutrality is not necessarily a policy of nonalignment. We are in favor of democracy and, second, Guatemala opposes war as such. The group of countries participating in the Nonaligned Movement has had a historic impact, with its attempt to strengthen the chances of international independence and to avoid becoming trapped in the interplay between the major powers. From this viewpoint, it interests us and resembles our own foreign policy, and I believe that if this policy of nonalignment is maintained we could in the future consider participating in it with them.

[Diaz-alejo] What about your struggle against violence?

[Cerezo] The government is indeed waging a serious struggle against common violence through restructuring, training, and equipping the national police force. In this, we enjoy the cooperation of Spain, the FRG, Mexico, and Venezuela. It seems when there is a reawakening of democracy, even criminals believe they are entitled to offend more freely or more widely. We cannot allow this and we are doing our utmost to guarantee the Guatemalans' security in this field. Our detractors have said that death squads have been formed in Guatemala, but we have no evidence of it.

[Diaz-alejo] What is happening with regard to the refugees in Mexico?

[Cerezo] We have requested the cooperation of Mexico and the relevant UN body in working together with a Guatemalan Government committee for the voluntary return of Guatemalans in that neighboring country.

[Diaz-alejo] What about Contadora?

[Cerezo] It is important that the Contadora Group galvanize its action. We have supported Contadora and will continue to do so. As far as the Central American parliament is concerned, I believe we have advanced in the right direction. It is not a matter of replacing Contadora, as some have tried to make it appear; it is a Guatemalan Government initiative designed to allow us Central Americans to discuss and seek solutions to our own problems, particularly in the political and economic fields.

[Diaz-alejo] What about the foreign debt?

[Cerezo] The fact is that every country has its own characteristics. Peru has its own and so does Guatemala. We have quietly renegotiated almost 90 percent of our short-term foreign debt, since our long-term debt does not affect us at all. Our total foreign debt is about 2.5 billion dollars. Nevertheless we support the policy pursued by President Alan Garcia in Peru in resolving his own problems.

[Diaz-alejo] What about democracy?

[Cerezo] We are trying to consolidate democracy, since that is what the Guatemalan people voted for in the 8 December polls when they elected us. In just 8 months of government one of the major achievements has been the change toward freedom. This change is evident and can be felt in the atmosphere, though we cannot deny that we face an economic crisis, which we are confronting responsibly. We Guatemalans are in the first phase, learning to live in a democracy. The democratic process is being gradually consolidated through the will of the Guatemalan people.

HONDURAS

MORE CHANGES IN MILITARY STRUCTURE REPORTED

PA021607 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 2 Oct 86

[Text] Here is a report on the profound restructuring announced by the Honduran Armed Forces. Here are the details of all changes that have taken place so far in the Armed Forces.

A profound restructuring of the Armed Forces hierarchy began after Commander in Chief General Humberto Regalado Hernandez unexpectedly took over the post of Army general commander on Sunday. There has been no official bulletin reporting these changes, but it is known that many changes have taken place and that others will take place in the next few hours.

Some Armed Forces officers pointed out that the restructuring stems mainly from a need to tidy up and improve the professionalism of the military institution, a demand which had reached critical levels. According to unofficial reports, these are some of the changes that have taken place in the past few hours; it was said that the restructuring will continue in the immediate future:

Colonels Thomas William Said Speer and Hector Aplicano Monila will become military attaches in the Honduran Embassies in Mexico and Venezuela. Commander in Chief General Humberto Regalado Hernandez will remain as Army general commander.

Colonel Guillermo Thuman Cordon will become manager of the Military Welfare Institute, IPM. Colonels Lazaro Avila Soleno and Cesar Maradiaga will become deputy director of the Officers School and director of the C-3, which is the section for Training Operations of the Joint General Staff, respectively.

Colonel Juan Lopez Grijalba was appointed commander of the 1st Infantry Battalion; Colonel Edmundo Alcerro Prudoth was appointed commander of the Logistical Support Command, Calfaa.

Yesterday, Lieutenant Colonel Alvaro Romero took over as commander of the 4th Infantry Brigade in La Ceiba. Colonel Ramon Pena Martinez was assigned to the 3rd Infantry Battalion headquartered in Naco, and Colonel Carlos Obdulio Reyes Barahona took over as commander of the Armored Cavalry Group, Recablin.

Colonel Hernan Garcia Henriquez was appointed commander of the 101st Brigade; Colonel Dagoberto Aspra Salgado was confirmed as commander of the 105th Brigade. Colonel Hector Ventura Pineda was appointed chief of the Army General Staff, and Colonel Rene Sagastume will become commander of the 11th Battalion of Choluteca.

Colonel Ramon Pena Paz took over as director of the Command and General Staff School; Lieutenant Colonel Armando Pavon Molina was assigned to E-3, Army Training Operations; and Lieutenant Colonel Claudio Lainez Coello was nominated for the position of director of the Officers School.

Colonel Lufty Azzad Matute was ratified as director of the Francisco Morazan Military Academy; Lieutenant Colonel [Luis] Villatoro was chosen commander of the 3-16 Battalion, a unit for special operations under the T-2, formerly G-2 or military intelligence.

Lieutenant Colonel Luis Osiris O'Connor was chosen commander of the 6th Battalion headquartered in Ojo de Agua, El Paraiso; Major Juan Guevara was assigned as chief of the Armed Forces General Headquarters.

[Tegucigalpa Cadena Audio Video in Spanish, in a separate report in its 1130 GMT newscast on 2 October, reports the following additional changes in the leadership of the Honduran Armed Forces: "Yesterday, Colonel Roberto Martinez Avila became the chief of the Joint General Staff, a post formerly occupied by Colonel Amilcar Castillo Suazo, who became the inspector general of the Armed Forces." It adds that it has been reported "that Colonel Aquiles Riera Lunatti may fill the post vacated by Colonel Guillermo Thuman Cordon, that of Army general commander."]

NICARAGUA

FDN SPOKESMAN DENIES DIVISION AMONG CONTRAS

PA021950 Madrid EFE in Spanish 1839 GMT 1 Oct 86

[By Wilfredo Chacon S.]

[Text] San Jose, 1 Oct [ACAN-EFE] -- Today, in San Jose a spokesman from the FDN -- the largest anti-Sandinist group -- denied information disclosed in the United States about an alleged division between the "contras" political and military groups.

The spokesman also referred to the $100 million the contras expect to receive from the United States and the possibility of not getting it. If the contras did not receive the money, they would request it from other sources. He also criticized the "obliging actions of the Contadora Group."

Reports published in the U.S. newspapers NEW YORK TIMES and WASHINGTON POST referred to another alleged division among the anti-Sandinists, this time due to the integration of the FDN Regional Commander Council, which could take power in the eventual triumph over the Sandinist regime.

Donald Lacayo Nunez, political leader of the FDN and of the Nicaraguan Opposition Unity (UNO), termed the information false. However, Lacayo expressed doubts when ACAN-EFE pointed out that in Washington and New York the information was attributed to Alfonso Robelo, member of the UNO-FDN high command, along with Adolfo Calero and Arturo Cruz.

Robelo departed yesterday for Miami, without openly denying the news coming from the United States.

"Inasmuch as the FDN is a member of the UNO, the integration of the commanders council is an internal action to improve the lines of command and the general war strategies against the totalitarian regime in Nicaragua," Lacayo said.

Other Nicaraguan counterrevolutionaries have questioned the official declaration, and noted that, until it was disclosed abroad, the commanders' agreement was kept "in secret."

Lacayo Nunez insisted that the integration of the regional commanders council "is framed and subject to the basic principles and concepts of the UNO, to the civic-military command, and to the UNO-FDN directorate, and subject to the civilian authority."

Another anti-Sandinist leader, Alfredo Mendieta, said the council "does not seek to ignore" civilians; rather, it seeks "to make more efficient the military struggle" for the liberation of Nicaragua.

Regarding the $100 million still being discussed in Washington, Lacayo said plans have been made in case President Ronald Reagan's plan fails. He would not specify what the other alternatives are, in an effort to prevent the Sandinists from learning about them beforehand.

Concerning what the "$100 million" means, the anti-Sandinist spokesman said this is "a message from the U.S. people to the freedom fighters, not only in Nicaragua, but in other areas like Angola, Afghanistan, and Cambodia."

Lacayo criticized the Contadora Group, stating that it is not possible "for it to continue to be so obliging toward the Sandinist regime, providing a front for it, and allowing Nicaraguan blood to be continued to be shed on the battlefields." Lacayo Nunez also added it is not possible to allow Contadora to continue using "dilatory mechanisms" to give time to the Sandinists to consolidate their power.

The "contra" spokesman accused Contadora of permitting the political, economic, and social deterioration in Central America, and of carrying out a biased policy seeking to make the world believe in a false opening of the Sandinist regime.

CONSTITUTION ARTICLES ON 'NATIONALITY' APPROVED

PA021851 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Oct 86

[Excerpts] The National Assembly has approved four articles dealing with Nicaraguan nationality in the course of the constitutional debates. Deliberations continue, suggesting that the consensus will grow.

The debate centered around a proposal by the Democratic Conservative Party that Nicaraguans be either "naturals" or "nationalized," instead of "nationals" or "nationalized," as is stated in the draft constitution. [passage omitted]

Article 18 was approved by a consensus. The assembly's deliberations will continue.

BRIEFS

GOVERNMENT APPOINTMENTS -- President Daniel Ortega today swore in Dr Vilma Nunez de Escorcia and Dr Orlando Corrales Mejia as president of the National Commission of Human Rights Development and Protection, and magistrate of the Supreme Court of Justice, respectively. [Excerpt] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 2 Oct 86 PA]

NEW SHORTWAVE STATIONS -- The Nicaraguan Telecommunications and Postal Service [Telcor] is installing two shortwave radio stations to counter broadcasts by foreign stations that transmit counterrevolutionary propaganda. Telcor Minister Colonel Leopoldo Rivas reported this today. [Excerpt] [Managua Sistema Sandinista Television in Spanish 0200 GMT 1 Oct 86 PA]

CHANGES IN INTERIOR MINISTRY -- The Nicaraguan Interior Ministry reported on 1 October that Subcommander Raul Cordon Morice has been appointed new Communications Media director of that ministry. Likewise, Captain Nelba Cecilia Blandon has been appointed head of the Directorate of Public and International Relations of the Interior Ministry. [Summary] [Managua BARRICADA in Spanish 2 Oct 86 p 1 PA]

CASTRO ADDRESS AT THIRD CDR CONGRESS CLOSING

F1282215 Havana Domestic Service in Spanish 2054 GMT 28 Sep 86

[Speech by Cuban President Fidel Castro at the Third CDR Congress closing ceremony held at Havana's Karl Marx Theater -- live]

[Text] Distinguished guests, CDR [Committees for the Defense of the Revolution] comrades. Twenty-six years ago, on an afternoon such as today, at a time approximately as this one, the committees for the Defense of the Revolution were born. [applause] Twenty-six years ago. Therefore, today we have a 26th [anniversary] on a 28th. They are two historical dates. Those of us who have had the privilege of participating in practically all congress debates and being present the greatest amount of time during the course of the meeting, can notice -- at least I noticed -- something different. Something that reminds us of our recent stay in Angola. I was noticing the difference between 1977 and 1986. I could notice our internationalists, our civil workers, and our combatants were much more mature -- impressively mature. It caught my attention. I noticed a great quality in our comrades' behavior. I could also say that this CDR Congress gave me the impression of much greater maturity and wisdom as a result of many years of struggle. I could also notice this during the debate. I also learned about the people's opinions who in a way also could participate in our congress over the television. The debate was characterized by great freedom of expression. Views were expressed with complete sincerity and complete precision. One could also notice the cultural and political level our people and our mass organizations are reaching. This is why I did not feel this was so strange, something that would have seemed incredible during the first years of the revolution.

When the comrade was saying the new leadership's education level reached an average of 14 grades, I started to think because I had been reviewing some information about the education level of the delegates and candidates. Among the new leadership, there are tens of comrades who are at the university level. Many of them -- the majority -- have reached a 12th grade level. Very few of them are below those levels, which clearly explains the 12th grade level. That was made evident during the debate. This does not diminish the merit of those first CDR cadres or of those first delegates. To the contrary, it says a lot about them, of their efforts of so many years, their unyielding defense of the revolution, their struggle, and their combativeness, made possible for us to take pride today as we talk about the culture and education of our delegates, of our new cadres, of our workers, and of our people in general. We also take pride in confirming the presence of new generations of CDR members and cadres shown by the delegates and new leadership's average age. We cannot neglect to remember the hundreds of thousands od CDR membrs, many of them founders of the organization or who were active for many years, who are no longer among us but who dedicated their sweat, their efforts, intelligence, and all their energy to the revolutionary cause. [applause]

It is logical that there is a new CDR generation since over half of our country's current population was born after 28 September 1960.

Its levels of education are logical, as a result of the revolution's efforts over more than 25 years. The level attained by the congress is logical, as a consequence of the experiences gained over a period of so many years. We could not meditate over this when we observed so many new faces, when we also observed so many women present, and when we observed present here the rich and varied colors of our society. [applause]

The revolution has put an end to many injustices. The revolution struggled from the very beginning to put an end to the odious racial discrimination. [applause] The revolution arduously struggled from the very beginning to put an end to the no less odious discrimination of women. [applause] Those struggles and those gains are reflected here today and explain the size of our will, the size of our energy, the sized of our confidence in the struggle against everything that checks such a just revolution, in the struggle against everything that impedes the improvement of our process and revolutionary political system.

When a country has followed a path -- such as the one we have followed -- it knows that ahead lie more struggles, but also knows that ahead lie many victories.

During the debates, it was recalled not only what the CDR's did to defend the revolution in the struggle against the counterrevolution, reactionary forces, imperialism internal and foriegn enemies, but also what the CDR's have done during the past 26 years for the people, for the development of our country in all fields -- in the field of health where the noble practice of donating blood was developed, in the struggle against diseases, and above all, in the prevention of diseases -- in the struggle for education, in the struggle for the country's economy, in the struggle for the development of a revolutionary awareness, in the struggle for the development of our socialist democracy, and in the struggle for the development of the economy, both with its participation in saving practices and in the infinite hours of voluntary work.

I certainly believe, and I feel it is just to say the history of our glorious revolution could not be written without the history of the CDR's. [applause] But our CDR's, like our party and all our mass organizations, know that history continues to be written under difficult conditions. We could say this has been a very opportune congress, and it has taken place at the most opportune moment.

The CDR's were born in an opportune moment, and at a very opportune moment the CDR's are reborn. [applause] A rebirth of our struggle is needed -- a rebirth of our revolutionary effort. This is both from the point of view of the international situation and from our own internal situation.

The international situation is characterized by a great struggle of the progressive forces -- of the revolutionary forces -- to preserve mankind from an annihilating catastrophe I can recall the previous CDR congress in 1981. At the time, the new U.S. administration -- a very reactionary administration -- had been in power 1 year. We did not hesitate in terming it a reactionary administration with a fascist international policy, a dangerous administration.

I believe we were among the first to warn about that. At the time, I spoke extensively about that administration's policy and insinuations of an arms race, threats against peace, threats against our country. And in the past 5 years since the previous congress, imperialism unleashed a colossal arms race in the world. In 5 years, military expenditures more than doubled. A total rearmament of imperialism took place in these years, and this led to an increase in arms everywhere in the world.

Imperialist aggressiveness increased. Imperialism's aggressions multiplied in all friends, both in the economic field and in the political and military fields. For our country, great threats became evident. All of that imperialist rearmament was paid for by the world economy. About this, we have talked on other occasions.

Taking advantage of its powerful positions in the international economic field, imperialism imposed on the world a policy whose objective was to collect funds from the rest of the world to carry out -- without new taxes -- that colossal arms race. By means of those mechanisms, it withdrew hundreds of billions of dollars from the international economy. By means of those mechanisms, the interest rates and debts were raised. By means of those mechanisms, protectionism was multiplied. Unequal trade between developed capitalist countries and underdeveloped countries was increased. By means of those mechanisms, the international economic crisis was aggravated.

Our people have witnessed in recent times the enormous effort being made by the socialist community -- mainly the Soviet Union -- to check this escalating arms race in some way, to check these enormous war threats in some way, to check in some way the effort to carry the arms race to space, and to prevent space weapons and new systems of mass destruction from being developed. I believe that this year -- 1986 -- is witnessing perhaps one of the more constant, persevering, more responsible efforts ever made to avoid a nuclear catastrophe that would destroy the world.

We have witnessed all the proposals made by the Soviet Union. We have witnessed that the Soviet Union has suspended all nuclear tests for more than 1 year, and that even -- taking into consideration world public opinion -- has taken the risk of prolonging for several more months -- until the beginning of next year -- the moratorium on nuclear tests.

All those who have knowledge of this type of technology know what that means. It means a great sacrifice in the face of a powerful and aggressive imperialism which continues to conduct tens of nuclear tests, and refuses and rejects definitively to accept a demand that has become mankind's demand -- an end to all nuclear tests. These nuclear tests become the foundation for the development of new arms systems which are much more destructive.

This year has witnessed the enormous efforts being made by the Soviet Union to impede the transfer of arsenals to space, to impede Mr Reagan's space wars. We can observe how the U.S. Government refuses to accept the idea of suspending the development programs of space arms despite the views, wishes, hopes, and demands of the international public opinion. The United States dreams of developing such arms which could neutralize all the strategic forces of the Soviet Union.

Everyone knows that such crazy points of views will lead to the accelerated development of more effective, destructive, and deadly weapons systems on both sides. We have seen how they sabotage all the peace efforts of the Soviet Union.

For the first time in history, it can be said that this year has been witness to proposals, made by the Soviet Union, that would totally prohibit nuclear weapons. This year is witness to the efforts made by the USSR, the CPSU, especially it's General Secretary Comrade Mikhail Gorbachev. [applause]

It is also witness to all the efforts carried out by the yankee imperialists to make all these international peace efforts fail. [We have seen] how they sabotage these peace efforts -- even though they are isolated more each time -- even now during the UN debates.

We have read the news that the United States decided to expel 25 Soviet officials from the United Nations, which has its headquarters in the United States. This is something they have absolutely no right to do. It is an arbitrary, illegal thing to do. This happened when contact was being established between the two governments to decide on a new U.S.-USSR summit. Whether or not a summit would be held, we have seen how they look for any excuse.

A U.S. spy -- undercover as a journalist -- was working in the Soviet Union.

Who will tell us if the yankee imperialists carry out espionage? Who will tell us if they use any writer, journalist, scientist, or professional person from any area for their espionage activities? These spies would not attract attention. The U.S. Government has used this as a pretext to establish requirements and put obstacles on the road to negotiations and the Gorbachev-Reagan meeting.

We can recognize the sharpness of the peace efforts of the progressive forces and the Socialist community and the war-like road of the arms race and aggression of the imperialists.

This does not mean it is necessary to lose patience or hope. I think the Soviets have given enormous proof of patience, enormous proof of political wisdom in trying not to be provoked by the actions of the United States and consequently maintaining a political, international goal for peace which has gained strength and international support. It has gained great international support.

We were able to see this at the nonaligned countries meeting in Harare this month. The support is enormous -- larger than we have ever seen before. The Soviet peace policy has the support of international opinion and especially -- which we proved there -- among the Third World countries. Those countries demanded unanimously that the arms race be ended, that nuclear tests be discontinued, and that a climate of international peace be established. We were witness to that recently. That direction -- the Soviet struggle for peace -- has gained great strength.

I also think the yankee imperialists have never been so isolated in this area.

Among Third World countries, the demand for an end to the arms race is associated with the only possibility for acquiring the necessary resources to be used to confront the international economic crisis and the catastrophic situation of Third World countries.

If a climate of detente and peace is not achieved and all those policies of war and aggression are not discontinued, they will not only endanger peace but also human survival which isa fundamental problem. There would not even be the most remote possibility for Third World countries to obtain resources for their development, a new international economic order, or escaping the crisis of poverty.

Naturally, these dangers to peace not only affect Third World capitalist countries' they affect all countries and the countries of the socialist community because the arms race requires an enormous dedication of economic resources to defense. It requires the need to dedicate hundreds of thousands of high-level scientists to defense activities. It limits the resources of the Socialist community for international cooperation.

I think when the CDR's were created -- even though there were problems, many problems -- there was nothing in the international sphere that resembles the current situation. The fabulous number of weapons did not exist 26 years ago as it does now. The economic international crisis that exists now did not exist then. Certainly, the height of the conservative and reactionary spirit did not exist then in the heart of U.S. society, which now has made possible the phenomenon of an administration with these reactionary characteristics, such as the current U.S. administration.

Because of this, these new [changes thought] after 26 years, these CDR should be aware and confront, in that order, a completely new situation. I am not going to say it is a hopeless situation. One cannot be pessimist. On one has the right to be a pessimistic.

I have the impression that the United States is currently very isolated from international public opinion. One cannot even dismiss the possibility that -- despite all the sabotage and obstacles created by the United States -- important advancements can be made in favor of disarmament, detente, and peace, and as a result of a consequent struggle in that direction. However, these are problems that still have to be resolved.

No one can assure, with an exaggerated optimism, that somehow the problems will be resolved. No one can assure that after 1 or 2 years the situation can be even more serious in the area of international politics. After 26 years, these CDR's not only have encountered these international political problems but also these economic problems, which are much more serious and much more difficult than they were 26 years ago.

Domestically, this international situation required us to make an enormous effort in the past 6 years to strengthen defense even before Mr Reagan took possession of the U.S. presidency.

Because of his declarations, programs, the reactionary spirit of the clique that accompanied him, and because of his lack of scruples, we understood that a time of danger was approaching for our country and we began to work quickly. Even prior to Reagan's inauguartion, the territorial militia troops were organized [interrupted by applause] and a totally new idea was created in our defense. It had its roots in the history of our country, in the history of our own revolution, and in the experience of the peoples' struggle during the last decades, among others, the unforgetable and heroic struggle of Vietnam. [applause]

All the experiences were collected and a new concept was created, thanks to which our people have multiplied many times their defensive capabilities. I say it like this, they have multiplied many times their defensive capability. They have multiplied, not only the number of weapons, the quantity and quality of those weapons, but also they have especially developed not just the idea, but the preparation for the participation of all the peoples -- men, women, youth, elderly, and adolescents -- in the task of defending the country.

Our people have been organized for one extreme to the other. Even the children have been organized and the ideas of what to do with all the people have been developed.

Because each teacher, each child, each school has developed enough strength, has created the necessary conditions for the country to resist an imperialist military aggression in its various forms -- as we have mentioned before -- in the form of a total blockage, in the form of a blockade and military harrassment, in the form of an invasion, and even in the form of the occupation of our country. In such case, the struggle would not cease or anything like that. It would practically begin from that time on, from the time the imperialist elephant gets into this anthill, into this wasp's nest, of red ants and wasps! [applause]

Will the strengthening of our mass organization not be necessary, especially, the strengthening of the Committees for the Defense of the revolution? [applause] Then, imperialism would begin to understand what a revolution is, what mass organizations are, and what Committees of the defense of the Revolution and the fatherland are. [applause] See if this congress and this enrichment of the Committees of the Defense of the Revolution are not important.

Not only do we suffer the consequences of those international political problems, of those threats that have forced us to make an enormous effort -- enormous in the area of defense -- but also we were able to make this effort with great dignity, we were able to make this effort within a policy of principles and within the framework of an internationalist policy. Because those imperialist threats did not make us -- maybe as they expected -- stop fulfilling our internationalist duties. They did not force us -- as maybe they intended to -- to withdraw our internationalist combatants. [applause] Maybe when the history of our times is written, the greatest merit is that in the midst of all those dangers we did not withdraw one soldier from Angola or from any other place to increase our defenses. We were capable -- with great serenity and cold blood -- of tenaciously working, organizing, and preparing ourselves, and fulfilling our internationalist duties at the same time. Not only that, but at a certain moment we reinforced our troops abroad. [applause]

Obviously, this irritates imperialists, it multiplies imperialists' hate toward our revolution and our country. The fact that they cannot find a way to intimidate us, the fact that they cannot find the way to make us renege our revolutionary principles, the fact that they cannot find a way of submitting us to their policies, fills them with irritation and hate.

Under those difficult circumstances, our country has had to also face this international economic crisis. It does not affect us in respect to economic relations with socialist countries, which constitute the majority of our economic relations. It does affect us greatly in that part of our economy that still depends [on capitalist countries]. There will always be for any country a certain degree of dependency on the economy of nonsocialist countries. It does affect us in that area. We have to purchase parts, certain kinds of equipment that cannot be purchased in socialist countries, foodstuff, raw material for the production of foodstuff and medicines, and raw materials for industrial production, which precisely enable us to use all those raw materials and resources that we obtain from socialist countries.

In that aspect, the imperialist policy has done great harm to us. Estimates have been made of what the purchasing power represents in the Western camp. If a pound of sugar, compared to the purchasing power of one pound of sugar in the 30's -- when the pound of sugar was worth less than half a cent in the Western camp... [leaves thought unfinished] today's purchasing power of a pound of sugar is less than the purchasing power of a pound of sugar during the great crisis of the 30's with a value of half a cent per pound. With that half a cent in those days, one could buy more than one can buy today with the pound of sugar at a value of 5 cents and a fraction.

Those international prices for a long time now have been under production costs. That is one of the phenomena of the unequal trade. This helps to understand that situation. This same thing happens to the great majority of the Third World countries. When talking about oil -- as we explained in Harare -- even though it has gone down a lot, it still has a relatively high purchasing power. The great majority of the products exported by so-called Third World countries to the developed capitalist world is suffering from the same phenomenon. Countries producing bananas, cacao, or coffee are going through the same problem, because of great droughts and heavy snows. All the basic products exported by the Third World are suffering a situation similar to that of sugar.

They are being affected by that unequal trade, by the protectionism being practiced by the United States and the European Economic Community. Several years ago, the European Economic Community imported sugar. Today, it exports millions of tons of subsidized sugar. The United States barely 5 years ago was importing 5 million tons of sugar. Today, it imports a little over 1 million tons -- nearly 4 million fewer tons. This is happening as a result of a protectionist policy of its own subsidized agriculture. Sugar is produced from corn in glucose factories using corn.

All this has caused a catastrophe in the so-called world sugar market. With this, it harms all its friends and allies. It took the sugar quota from Cuba, using as an excuse socialism, communism, Marxism-Leninism. It took from Cuba all the sugar quota at the beginning of the revolution. I do not know if by the time the CDR's were founded we still had a part of that quota. I believe we still had something left. They had not taken all of it.

Now they have taken the quota from all those among which they divided up the Cuban quota. They took the quota from Cuba and divided up the candy. They applied the Grau San Martin slogan. For those who do not remember, I will say he was a president in this republic some time ago. He was famous for gibberish and crooked deals. He used to say: There is candy for everybody. The same thing yankee imperialism said when it took away from Cuba the sugar quota. That is what they told other Latin American countries which produce sugar. They said: There is candy for everybody.

So, we have to isolate Cuba, blockade Cuba, kick Cuba, out of the OAS, break relations with Cuba; do all that because there is candy for everybody, the candy of the Cuban sugar quota. That was one way of combatting communism, socialism, Marxism-Leninism -- taking away the candy from all those Latin American and Caribbean countries. The candy they, one day, divided among all of them. They continued having their underdeveloped capitalism, but the quotas were taken away from them to benefit the U.S.'s selfish interests, to benefit their glucose, their lactose, their sucrose, and subsidized cane sugar.

Now when they attack and blockade Nicaragua, they cannot take any quota away from it. The quota was small and they already took it away. It was very small and did not give it to anyone. They put it in a small pocket for more U.S. subsidized sugar. Of course, there is a new consciousness in Latin America, since the spirit of [word indistinct] of former governments is no longer present. It is not the habitual thing to do. In those days, everybody had their eyes on Washington to see what it was saying. It was very powerful, despite the fact it had fewer nuclear weapons than it has now. It had fewer battleships, fewer nuclear submarines, fewer cruise missiles, fewer everything. You can see the contradictions.

It was much more powerful since before the Cuban revolution. That is why if feels ferocious hatred for this revolution because it showed that one could say no to the empire. [applause] The number of those saying no is increasing -- louder or not so loud -- but they say no. The number of those saying yes and shake their heads negatively is increasingly greater. [applause] The number of those refusing to accept their orders is increasingly greater.

Right now, you can appreciate Nicaragua's situation. It has been isolated considerably, but very few support them in their adventure against Nicaragua. There are some puppets in Central America. They have very few henchmen left in South America and, of course, some satellites in the Caribbean. But even in the Carribean, things have changed. There is a new government in Barbados, different to the one during the aggression against Grenada. Changes can be perceived in other Caribbean countries. In Haiti, they cannot govern the way it used to be before through the Tonton Macoutes. The style has to change. There is criticism. The results of their policy in Santo Domingo can be seen; the changes of governments that have taken place there. It can be appreciated in Jamaica, where the government which participated in the Grenada criminal adventure together with the yankee troops is totally discredited. There have been changes since then.

Now these Latin American countries are observing the consequences for their lack of scruples, the consequences of an imperialist brutal and unmasked policy. Now they have a debt of nearly $400 billion which -- as we have said many times -- is unpayable and uncollectable. It is growing like a cancer -- as we said in Harare -- it multiplies. The Latin American countries have had the opportunity of observing what the protectionist policy is all about, now that the candy is gone, the sugar candy.

The consequences of the protectionist policy regarding all its exports products are the yankee demands, the yankee blackmail, the yankee subsidies to the exports competing with those countries' exports.

Thus, countries such as Uruguay and Argentina -- which have great exports of agricultural goods, meats, cereals, and wool -- are now confronting this U.S. policy that subsidizes meat and snatches away their markets from those countries, the markets from those countries.

The Latin American people and governments also run into the selfish policy of the EEC, which exports subsidized sugar, cereals, and meat. In other words, the meat may cost $1,500 or $1,200 [unit not specified], as it costs nowadays, and yet the EEC exports subsidized meat for 700 or 800 pesos and breaks the markets of countries which owe millions or billions of dollars. This is an absurd and incredible situation. None of this existed when the CDR's were founded. It was even difficult to explain what we mean by the empire...[corrects himself] imperialism and its consequences, capitalism and its selfishness. All these realities open the people's eyes and teach much more than millions of books on Marxism-Leninism.

Believe it or not, the United States sold subsidized sugar to the PRC some weeks ago, subsidized sugar to the PRC [repeats himself], some 100,000-odd tons. This is not a large amount, but when the United States exports subsidized sugar to the PRC, or when the United States exports subsidized cereals to socialist states, the effect this has on prices is disastrous. However, this will never happen again with sugar prices. It is quite clear that the United States does this not only out of selfishness, not only out of selfishness [repeats himself]. It takes away the quotas it had distributed, out of selfishness; it subsidizes the internal production of sugar, for 17 to 18 cents when the price in the world market is 5 cents, out of selfishness. I ask: Why does the United States export subsidized sugar to the PRC?

Even though this will not earn it the sympathy of all the sugar-exporting countries because this lowers the prices, the intention is quite evident: The United States wants to affect Cuba and increase Cuba's problems. So, it does not only increase the boycott by all means; it does not only multiply its efforts so that Cuba cannot sell nickel, tobacco, rum, manufactured goods, or any agricultural or industrial product; it does not only exert itself to create obstacles for our economic operations; and it does not only exert itself to create obstacles for any renegotiation of the Cuban debt. The United States also adopts other kinds of measures -- such as exporting subsidized U.S. sugar to a socialist state -- to reduce the market's prices.

The United States wants to punish Cuba and does not care if, in doing so, it affects many other sugar-exporting countries with whom it has very good diplomatic relations -- even though they are being squeezed dry in the process. The United States also carried out a program to pull the bottom out of oil prices and reduce them to practically a third of what they were early this year. This was done to gain benefits, of course. Western capitalist countries, those who charge those who charge [repeats himself] high interest rates for debts; those who benefit from unequal exchange; those who subsidize their exports; those who ruin the Third World; those who buy cheaper and sell dearer have benefitted from these Yankee maneuvers by more than $120 billion this year alone, meaning 1986. [chuckles] However, the imperialist could never guess that would indirectly affect us, too.

We had enforced a tremendous policy to save fuel. We were increasing our imports [corrects himself] our production -- our internal production is close to 1 million tons -- not to mention what we saved from the oil that we imported from the Soviet Union, with whom we have satisfactory trade and where our products' prices are guaranteed.

We had taken out some hundreds of millions of dollars from these savings, from these savings [repeats himself] in fuel. The imperialist maneuvers to benefit their own interests cost us -- indirectly, of course -- several hundred million in 1986.

We explained on 26 July in Sancti Spiritus...[changes thought] it is convenient to pay attention to every speech, not only part, but all of it, to have an accurate idea of the situation. We explained in Sancti Spiritus that the 1985 drought, the hurricane in November....[changes thought] which affected us seriously, because it destroyed the banana plantations and flattened out the sugarcane. We can say that this caused some positive results -- if you want to use that word -- because our sugarcane workers carried out one of the greatest feats in recent years. We thought the hurricane would reduce sugar production by 1 million tons or more, but the sugarcane workers' efforts reduced the direct damage, direct damage [repeats himself] in sugar to some 240,000 tons, some 240,000 tons [repeats himself] [applause]

Our sugarcane workers really made a colossal effort; they were able to reduce the problem. That does not take into account the damage caused to the rest of agriculture, the buildings, and electricity installations which we are still repairing.

The efforts of the people made it possible....[changes thought] we could partly make it up. If it had not been for the hurricane, we might have been able to produce 200,000 or 300,000 more tons. However, they performed the miracle of harvesting the sugarcane, which was not only lying flat on the ground, but also twisted, and in most causes broken. The current yield of sugar and yield in sugar [sentence as heard]. The brigades walking behind the machines began to retrieve the sugarcane. The impact of the drought was impossible, was impossible [repeats himself] to make up. Despite everything, the entire sugar production dropped by, well, by a million tons of sugar. This was chiefly a result of the drought. All those things came together this year. Economy plans were drafted this year; everything was planned. Still, the country lost approximately 500 million [currency not specified] in convertible foreign currency; approximately 500 million.

For the first time in all these years, it was impossible to meet the foreign debt obligations. Moreover, our import possibilities in that area were considerably limited. We need imports of approximately 1.2 billion, and we lost 500 million because, compounded with the drought, the hurricane, the low price of sugar, that policy [not further identified], the dropping oil prices, we had a revaluation of the currencies of the countries we traded with. The Japanese yen, the Spanish peseta, the French franc, the pound sterling, and the German mark were revalued; in sum, precisely the countries we traded with.

However, one of the mechanisms employed by the United States to sack the work was the revaluation of the dollar, and the high interest rates...[changes thought] since it has a budget deficit, and chiefly a trade deficit of over $200 billion, and that deficit repeats each year. A trade deficit of over $200 billion, and this year it will be even higher than in any previous year. The United States lowered its currency to compete on the international market. It lowered its currency, the dollar. In lowering its dollar it also hit us by rebound.

Because, when you say sugar, at 5 cents of the dollar, you are talking about the dollar -- you are not talking about the German yen [as heard]. And when suddenly there is a 30 percent or greater devaluation of the dollar, the few cents you receive from sugar to buy yen, marks, or pesetas are also devalued 30 to 40 percent. I think this can be understood.

If one goes to buy some Japanese-made equipment...[changes thought] then, if you have to pay a lot, if you have to pay a lot more for that one [corrrects himself] for that country's currency, or for raw materials brought from there, or from any of these developed capitalist countries, then if the currency of those countries has gone up, the 5 cents for the sugar will be worth even less. It will be worth about 3 cents or 4 cents, so we should not be deceived by the 5 cents. All those factors converged.

In 1986, after the congress -- because these phenomena began to occur after February -- when our congress took place, these accounts were still balanced. Now we were facing great economic difficulties. It was also a new situation, and logically -- regardless of all the efforts we can make -- this is expressed in increasing difficulties in that area. They could change, but they have not. [Castro chuckles] A year has gone by, and, on the contrary, the sugar prices have dropped and the oil prices remain stable...[changes thought] the drought itself has not ended, and you -- the people of Havana -- know that very well. You have read the newspapers which recently said that we are experiencing the worst drought of the century, at least in the western part of the country. I do not know if they are talking about the entire country; we learned there are areas which are suffering a severe drought.

It rained in the eastern provinces and the dams were filled up. It was not a scattered rain, because the ideal situation is not to get 1,000mm of rain in 1 day, but to get the 1,000mmm of rain distributed in several days. The dams were filled in the eastern provinces, and after that, the drought returned. In the western provinces, water levels are very low, very low. Unless we get heavy rains in October, we will begin the year -- the coming dry season -- with less water than we had last year in the Havana Basin.

We are quickly constructing the new water works, which has its origin in the eastern end of Havana Province, the so called Cat Basin [Cuenca del Gato]. We are working very fast, but even with our Cat Basin, and everything else, if we do not get some rain, we will experience greater limitations. This is a fact.

I do not know how we will solve these problems. At present and in the middle of Spring, many neighborhoods of the capital are supplied with water from trucks. These factors have compounded and increased our difficulties. It is necessary for the people to be thoroughly familiar with these factors. We struggle against subjective factors. This situation justifies even more the efforts we have been making to correct mistakes and combat negative tendencies. In the middle of these difficulties, the idea that someone here earns 100,000 pesos and owns one, two, or three trucks, or, earns 200,000 pesos or more, as some did, becomes all the more absurd. It is likewise absurd that by speculating or planting a small amount of anything, peasants can earn tens of thousands of pesos. They would have to refrain from delivering anything to distribution centers (acopios) and sell all in the free market at any price. Of course, he could command any price because of the amount of money that the people have and anything can be sold. Of course, this is why many peasants came to Havana and pruchased houses. Someone who is ill could come and live with his mother-in-law or whatever. I do not mean to speak evil of monthers-in-law or criticize them. I criticize speculators having 100,000, 200,000, or 300,000 pesos. They came to Havana and pruchased a home for 60,000, 70,000, or 80,000 pesos. Such homes had been given by the revolution to many workers. Such workers have had their homes for a long time by virtue of the revolution's urban reform laws. However, these workers sold these homes for 40,000 or 50,000 pesos more. He appeared to have many things. We have a tremendous amount of money to collect from people. As a result, money is not sufficient for anything. It is possible to buy chocolate candy at the Lenin Square and sell it for twice its price at the door of the hospital with such an amount of money.

In this way, any type of speculator can appear, line up for beer and -- despite the price of beer being tripled [applause] -- although the quantity of beer being distributed in Havana has been tripled at some places, 50 or 60 percent of the people are left without a single beer. This occurs because the vagrants, the speculators, and the do-nothing's take advantage of these circumstances. The speculators buy a beer for 60 cents and sell it for a peso, 1.20 or 1.30 or thereabouts. They may even sell it for 1.50. With that amount of money from all kinds of userers and intermediaries, they enriched themselves with this so called peasants' free market, which appeared to solve some problems. This market distrubuted less than 2 percent of the supplies the people received. The hundreds of millions of liters of milk distributed to all children and hospitals are produced by people's farms and the state milk enterprises. All the eggs distributed in the country -- more than 2.5 billion -- are produced by the state egg enterprises. This is also true of all the meat, nearly all the cheese, everything. What these speculators distributed amounted to less than 2 percent.

In addition, such speculation checked the peasants' movement and the cooperatives' movement, because if a man with land makes 50,000 pesos, what will he want to do in a cooperative?

The enterprises here supply most of the sugarcane for sugar production. Enterprises also supply nearly 100 percent of the rice produced in the country and most of the export products, such as citrus fruits. A similar situation occurs with the enterprises that produce all the milk, all the eggs, all the poultry, all the pork, and all the meat distributed to the people at the social establishments such as hospitals, schools, or whatever. Nearly 3 million receive supplies in addition to this 13 million. [sentence as heard] No one would imagine that this would be produced by the peasants' free market. This is ridiculous. When the imperialists speak of this, they think and make believe that a few speculators supplied this country. For a long time, this country has been supplied by the socialist enterprises [applause]. These enterprises are highly technical and produce on a large-scale basis. Try to raise four or five chickens here and there and you will need two or three times as much feed for them. Egg-producing enterprises produce on a large-scale basis, with great efficiency, a minimum of feed for unit of production, whether per dozens of eggs or kilograms of poultry. These are produced very efficiently. We can truly feel satisfied for these productive enterprises' efficiency, but this is insignificant.

Cooperatives share a larger protion of the supplies for the population, a larger participation in the production of sugarcane, citrus fruits, food, and vegetables. This is what cooperatives do. During a meeting with the cooperatives at this time, they demanded an end to this free market at once. Perhaps increasingly higher taxes would put an end to this. They are pulling our leg, the cooperatives scorn; they buy the world with all the money they earn and try to demoralize us, the cooperative members said. And they were right, because this strange experiment really should have never been introduced here. [applause]

There are countries like Bulgaria that do not have free markets. They have never had a free market. We have copied what other countries are doing many times. As I have said before, we have copied many good things, and we have also copied bad things. But we have copied more good things.

We could have copied from the Bulgarians. We could have gone without a free peasant market. That is why I have always believed we should have small plots of land. That is a tradition. In the cooperatives we have established, we have collective self-consumption. In state enterprises, we have collective self-consumption.

I know about those small plots of land. There may be countries with huge quantities of land with millions of square kilometers, but we have few square kilometers. We have to make cities more compact because if we build isolated houses, we would fill up all provinces. We have almost 100 inhabitants per square kilometer. We have as many inhabitants per square kilometer as China and, besides that, we have to export food for 40 million people through our sugar. Besides that, we have to produce food for ourselves. We have to take advantage of our land.

I can recall that in one of our congresses, I explained how land was reduced per capita as population grows. This forces us to use up all our land with all our techniques to yield greater production. When we build an irrigation system, we should not have to encounter 50 small farms on the way because if we do, we cannot build canals, and we cannot build irrigation systems. We should not have to copy from anyone. We have to base our actions on our reality, on our experience, and on the scarcity of our land to seek maximum production and large scale technological production. We have this experience in the production of rice and sugarcane. However, we should produce more.

What would happen to us if we had to depend on hundreds of thousands of small farms to get our food? Getting chicken and food for our hospitals, schools, and workers' cafeterias, getting anything would be almost impossible. The best thing we ever did was to protect our large-scale enterprises. We are constantly improving their technology. We are getting more experience in this area. When we started we had no engineers. Today we have thousands of engineers, men who are prepared. Now we can demand more of them; we can demand better production.

The cooperative movement was being affected because of speculating [mercachiflismo]. We had to put an end to it. We must be happy that we did, and we must demand. [sentence as heard] We have changed our idea of a storage system, local and national storage systems. We are looking for ways to improve the systems; we are putting more money into the systems. We want every single corner of the country to have its storage system. Store anything, even if it is a single mango harvested on a hill. You can even ride a mule to get up to that hill.

I read in a newspaper that a peasant was complaining that he was being paid a certain price, and the same product was being sold on the parallel market for another price. How about that! With all the money on the streets what price can we reduce? The price of garlic has already been dropped. It was being sold for 6 pesos and today it is being sold at a peso, 2 pesos -- do not think I do not know the price -- it is sold at 2 pesos. [laughter, applause] The price of garlic was 6 pesos; today it has dropped to 2 pesos. We pay the peasant 1.5 pesos for selected fruit; the storage system pays a bit less. However, pork, beef, and turkey -- do not think that the turkey distributed on the parallel market comes from the peasants -- are raised by the state enterprises. The turkeys raised by the peasants would only supply a family [nucleo] with a turkey every 20 years, [laughter] or to sell a little bit of turkey. Almost all the food that the capital city receives is produced not by the peasants but by the state enterprises. Almost all the food sold on the parallel market is produced by the state enterprises. Lower the price, and the good will not last. The parallel market is a system that must be regulated by supply and demand. This must be understood, it must be said, and it must be repeated and explained for all those who do not understand. Wouldn't it be nice to have 10 times more products and 10 times lower prices? However, will all that money, with that speculating, how can we lower those prices?

There is also something else. Who has ever said or taught -- this is something that does not even exist within the capitalist system -- that the person producing and being paid according to the cost of the product, the person who is making a profit should be paid the price of the product being sold on the market? For example, we export our sugar and some countries sell the same sugar at a much higher price. We get paid 5 cents and they sell it for 20, 25, or 30 cents. When we lived under the capitalist system, the capitalists took all the profit, but here when a product is purchased at a certain price and sold at another price it is not the capitalist making the profit; the socialist state, the people are the ones making the profit. [applause] It is not the same system we had in the past. No one person, no intermediary, no speculator makes the profit. No one has the right to steal from others; no one has the right to steal from the working people. [applause]

The collection of funds is the power of the socialist state, in other words of all the people, because if not how are we going to pay the more than 600,00 workers that are involved in two areas of the country: education and health? [applause] The socialist state invests a little over 2.5 billion pesos in the education of the country's children and of all the people and in the health of all the people. That is why it can be said that there is not a single child without schooling, [applause] not a single child without a teacher, not a single child without books in this country. There is not a single sick person without a doctor in this country or without an institution that guarantees everything, even a heart transplant that costs 100,000 pesos. [applause]

Through the state, through the commercial networks, the state collects...[Castro changes thought] because the curious thing is that no one here pays taxes. Who gets deductions here? You go to any country and out of what might seem a high salary of 700 or 800 pesos, half is deducted for taxes. Yes, that is how it is. Nothing is deducted from what the workers receive here. The individual peasant practically does not pay taxes. It is a trifle that is not enough to pay even 10 schools; it is a small sum.

Meanwhile, the state has to face the development costs. We are not going to live totally on the basis of loans or on the granting of loans. Yes, we need loans because we have to make important investments everywhere. How could all those thermoelectric plants -- the thermoelectric industries, which have greatly multiplied the country's electicity capacity and have made it possible for almost 90 percent of the country's population to receive electricity -- how could they have been built without great investments? The investments in hospitals, schools, housing, the new nickel plant, the nuclear power plant, the petroleum refinery, the construction industry, the construction material industry, the mechanical industry, in everything, where are we to obtain them? From a hat like magicians? [laughter, applause]

The state collects not only if it pays 1.50 pesos per pound of garlic and sells it for 2 pesos, which is scarcely enough to pay for the costs of transportation and distribution. The state profits with rum, and we are happy because the more expensive it is, the less rum and less alcoholism there is. That is the truth. We do collect. [applause]

However, the state does not collect a cent from milk. Instead, it subsidizes it. The state does not collect a cent from meat. Instead, it subsidizes meat for the population. The state collects taxes on cigars and tobacco sold in the markets or in the free markets [por la libre]. It collects taxes on rum and beer. The state collects a lot on beer. It does not hide this. The state does not steal. The state collects for the people. The state does not collect [lengthy applause] the state does not collect to enrich transnationals. The socialist state collects to satisfy the needs of the people, to develop the country in both the economic and social fields.

The socialist state invests the very last cent, and even beyond the last cent, because the credits that the socialist state obtains from the socialist countries are to be invested here. The benefits obtained by our country in achieving satisfactory trade agreements, all that enormous amount of money that our country has obtained thanks to just relations, is invested to the very last cent in the country.

In the capitalist countries, who takes the money first? The transnationals do. Then, whenever there is any problem, the capitalists take the money out of the country.

However, not a single cent leaves our country; we do not have capital drain here as in all the Latin American countries -- practically without exception. Tens of millions, thousands of millions are drained because the capitalists own the money, and when they are afraid the currency will be devalued, they run out to get dollars and deposit them in U.S. banks; and when these banks pay higher interests, they run and deposit in U.S. banks the money they have taken from all those countries. You cannot take a single unit of foreign currency from the country that way in a socialist state.

Therefore, well, I have seen some of those arguments in the newspapers, I think the journalist answered very well, but some of those naive, foolish, and ridiculous arguments are used, and we must know this to warn the gullible or counter those who seek a cunning and demagogic way to complain. The latter say: I sell this for 20 pesos, and they sell it for 2 pesos there. Then the workers in the beer factory could say: I produce so much of that of a salary when it is being sold for 60 cents an bottle in the streets, and if it is the special type for 80-90 cents, and in a restaurant it is sold for more. If all the people begin to use that argument we will no longer have an equitable and just society which protects all the citizens alike, regardless of their income; a society that educates all the citizens equally, regardless of all those [corrects himself] regardless of any situation, including their parents' income; a society that even helps the prisoners' families, whenever someone is destitute, because that is socialism. It has nothing to do with capitalism.

Well, our revolution has to face these problems, these difficult situations we have explained, as a result of the crisis and the deficits. Nevertheless, what is the policy that the socialist state has always followed? Do not forget that we have had to face difficult situations. Well, anything may be sacrificed, but the people's consumption is not sacrificed; the people's consumption is never sacrificed. That policy has always been followed to the end. There may be circumstances, at a given time, when it is necessary to sacrifice the people's consumption, and if we have to sacrifice this consumption we will sacrifice the less important things.

However, the effort that has always been exerted [changes thought] every time that we make our calculations and plans for each year, we analyze the amount of convertible currency, because we have that dependency we have talked about. We have sacrificed every thing but the people's consumption, any time we have had that kind of problem. However, we must be prepared in case we have to sacrifice that one day. We will not say, if one day we have to exert ourselves even more, we will become demoralized or declare ourselves defeated just because we have problems. We have had many problems on different occasions, above all in the past. We had great problems in the early days of the revolution; those were really difficult times. However, how many cafeterias have been built for the workers and school children? How many schools? Well, this has been done in the measure that was possible, but we still have problems. We have economic problems, and I think that the revolutionaries must be prepared for good times and bad times. [applause] [crowd shouts: Fidel! Fidel!]

The revolutionaries must be ready for the good and the bad. It is easy to be a revolutionary when there are no problems; it is easy to be a revolutionary when there are no difficulties, if everything is going fine. The revolutionaries who have struggled know what difficulties are like. The teachers, many of them women, who were in faraway places in Nicaragua know what difficulties are, they know about sacrifices. The hundreds of countrymen who have gone on internationalist missions know about difficulties and sacrifice.

Well, our history also tells us that our peasants know about difficulties and sacrifice. The old revolutionaries know about difficulties and sacrifice. Our people also know. We have never backed away from our responsibility or work. During the early years of our revolution we did not have sugar combines; hundreds of thousands of industrial workers would leave the cities to cut sugarcane. They did this year after year. [applause] Hundreds of thousands of industrial workers would leave their families for months to go cut sugarcane. They suffered through the heat. They did not have the shelters we have today; they did not get the same kind of food that is served today at the sugarcane shelters; they did not get the tens of thousands of prizes we award today at the sugarcane shelters, tens of thousands of prizes [applause] awarded to the sugar industry. We saw some difficult days. Today you have shelters. There are 80,000 sugarcane cutters instead of 350,000. Thanks to this we have been able to provide better clothes, shoes, shelters, food, prizes, everything. There are some shelters where the best cutters live and everyone of those cutters has a car. The parking lot is bigger than the shelter. [laughter] We have seen them.

Yes, we have advanced, but can you just imagine a revolutionary saying that he is not ready for difficult times? Can you imagine that revolutionary on the Sierra Maestra, on the coast of Manzanillo after Granma landed, or after the Alegria De Pio when the whole rebel army had to be rebuilt practically from scratch. or up in the mountains? Can you just imagine such a revolutionary? I want to think of a revolutionary under difficult conditions, under difficult conditions such as we experienced when we made our revolutionary under the tyranny, under repression, persecution, without a single minute of calm and when that revolutionary, when no one, felt safe.

I want to know a revolutionary under difficult conditions in the city and the country [applause], which is where revolutions begin. Our people will never again have to live through those difficult days: never. Our people will never see those days when there were no schools for their children, when there was discrimination, when there were people with special privileges; those days when there was injustice, poverty, and unemployment. That will never again be seen, nor will we experience the material calamities of the past.

Some of the difficulties we will encounter will be small when compared to the hard, unsurmountable, and absolute difficulties we experienced in the past. This is precisely because of our growing links with the socialist field. This growing link ensures us that we will receive what is essential for our economy. It ensures the supply of what is essential for us: oil, electricity, energy. Despite our difficulties we are never without power. Every house has power and only experiences problems because of an outage that cannot be prevented, but not because of a lack of power plants, not because of a lack of power lines. We may have our difficulties with transportation but there are four or five times more buses in our capital city today than we had during the capitalist days, [applause] and the people travel 10 times more than they did during the capitalist days. [applause]

We must not confuse the subjective with the objective causes. We must struggle untiringly against the subjective factors that weaken the quality of a service, that cause a loss of efficiency, and problems. We must be strong, untiring, and firm, but we must not make the mistake of confusing the subjective and the objective factors. [applause] We cannot always think that a product is being sold at a higher price because someone is stealing the money or because someone wants to make the other people suffer.

Those things that are or are not distributed by ration book, things that cannot be distributed in any other way because the amounts are so small that if the ration book is used only one item can be purchased per family every 10 years, not like beer [laughter] where we have enought to distribute a case per family every 45 days, and in the future it could be less [applause]. No, not like beer. There are some things that can be distributed evenly. As I said during the meeting in Havana, if we start producing more beer -- we have tripled our production, and we are trying to raise the producton to 400,000 or 500,000 cases -- and this is still not enough, then we can change the price of beer and distribute according to price. We are going to try and keep the price as it is today, but if this is not possible then we will free it an another price. We can get what the speculator is getting, why not? [applause]

I already explained the reasons the state collects money and what it collects it for. Logically, there can be products such as -- I set this as an example the other day -- the yogurt made from buffalo milk that tastes like coconut. It is great. Those who have tasted it say that it is very good. It is the yogurt made from buffalo milk that tastes like coconut. It is sold in some markets at a specific place. How do you control this product? How do you include it [in the rationing system]? You cannot include it. You have to sell it. It has another price, and it is a very scarce product. It is a new product. The food industry has developed hundreds of new products in quantities that are still small; some more and some less. How are they distributed? This cannot be regulated. If there was a product that did not exist and now exists, then money can be collected on it. Consequently, many problems have to be solved.

When I was saying that the state has to face a lot of problems, I did not mention one which is vital, basic: the country's defense. [applause] You know that a large number of compatriots are permanently participating the the country's defense. There is a large number of compatriots. There is a great quantity of patriots. There is an enormous and considerable number of patriots. You know that there are thousands of civilians who work for defense. They are not producing clothes, houses, plantains, or tomatoes. They are working for the country's defense, which is something that is not a consumer good. There are thousands of civilians working for defense. So we must spend on supplies. Fortunately, we do not have to spend on weapons because we have had the enormous privilege of receiving them from the Soviet Union for free. [42-second applause]

Luck, that is a great luck. It is a privilege, a tremendous privilege because of the quantity of weapons that we need to defend ourselves from the imperialist monster. We are not dealing with a mosquito. We are not facing a lizard or a cockroach. It is the most powerful country that is threatening us with 240 million inhabitants and all kinds of sophisticated weapons. It is threatening us and has been threatening us for 27 years.

I believe that the greatest glory of this revolution is the firmness with which it has remained throughout these past 25 years. [58-second applause with crowd shouting: "Fidel, for sure, hit the yankees hard!"]

They have been unable and will never be able to intimidate us. They have been unable and will never be able to make us submit . I have said that I am convinced that this is the greatest glory of this small country here in the Caribbean and of this revolution.

Do we have one or do we have 10 million? [crowd shouts; "10!, followed by 1-minute applause and shouts]

We collect money, among other things, for the sacred duty of defending the revolution, the fatherland, and the society not only against external enemies but against internal enemies; not only in the face of the counterrevolutionaries but in the face of the criminals and the lumpen who have not yet accepted the rules of socialist coexistence.

When Companero [Security Vice Minister Jose] Abrahantes stated yesterday that more than 3,000 men had joined the police force, when he mentioned that hundreds of them had been assigned to their sectors and when he mentioned all the plans to strengthen the infantry and the Interior Ministry organizations to defend the society from crime and the criminals, everyone applauded. Everyone was happy to hear that. We are all pleased about the effort that the revolution has to make in this regard. We are happy about that, but there are men, there are thousands of healthy, well-prepared, intelligent men who have a very high level in the trench facing the imperialist enemy, the external enemy, and the internal enemy. [sentence as heard] Yes, the resoures that we have to invest in all this and in our development are many.

What are we going to do? Are we going to regret being revolutionaries? [crowd shouts: "No!"] Are we going to give up revolutionaries? [crowd shouts: "No!"]

We would prefer a million times to pay the price and face the difficulties of being revolutionaries than to pay the price and feel the shame of being slaves. [applause, shouts].

We have to invest in all this and in our development too. What are we supposed to do, regret being revolutionaries? [crowd shouts: "No"] Give up being revolutionaries [crowd shouts" "No"] We would prefer a million times to pay the price and face difficulities of being revolutionaries than to pay the price and feel the shame of being slaves. [50-second applause and shouts]

We are facing difficulties but have no masters. We cannot even repeat Marti's verse that says: I wish to die without a homeland but without a master. We cannot repeat it because we have no master; however, we have a revolution, and we have a homeland! [42-second applause and shouts] Even if we have to die, we will have a homeland and will die for that homeland. We will have a revolution and will die for the revolution. However, we will not have a master to die for, and will never die to have masters! [applause]

That is why I said that one has to be very careful in these battles and not allow oneself to be confused or allow anyone to confuse the masses. Let no one confuse our battles for rectification with those against negative tendencies -- the battle we are waging and will wage with increasing vigor is against the counterrevolutionary filth or against the slimy philosophy of the counterrevolution and capitalism. Let no one confuse wheat with tare because they are two very different things. We must not allow this to happen and you, CDR companeros, will not allow this to happen. [applause, shouts]

The struggle against negative tendencies; the struggle against the errors we have committed will continue without fail, because we have the sacred duty of perfecting everything we do, of perfecting the revolution. We have the sacred duty of never feeling satisfied, not even when we feel that we are doing things right. We will be even less satisfied when we know that we are not doing everyting as well as we should. [applause]

Companero Aldana explained yesterday in an excellent manner what political work, what ideological and, revolutionary work consist of. He explained to you how one must discuss, converse, persuade, and convince. We can do this, because we have every reason in the world: the historical reasons; the morals; the dignity; the justice; all of the most beautiful principles for which man could have struggled -- for socialism, for communism. We have the most vigorous, the most complete, the most revolutionary doctrine -- Marxism-Leninism! [applause]

No one will be allowed to come here with old theories, with rotten theories, to deceive and confuse us. We cannot allow this. One must be prepared. We all have to be prepared. This includes the CDR and not only the party, whose congress will close on 2 December. We have to be prepared for this ideological struggle to keep the enemies of the revolution from harboring even the slightest illusion.

All of these congresses are bearing fruit. What is wrong is not to discover weaknesses or errors. However, the existing errors and weaknesses and the things we had to correct were brought out very clearly after the third congress. In fact, even the Pioneers held a conference, meeting, or national assembly and asked to hold a congress.

The Pioneers had made many contributions and raised criticisms. In their assemblies, they criticized the professors and teachers and discussed the things that were wrong.

Also after the congress, the party did a job. The party members met with all the teachers and professors to analyze education problems. It is true that if the congress had been held in August, there would have been a different result. As soon as the demands were increased a little, weaknesses showed up. This was not a useless battle. This battle is being waged right now. This battle must be waged from the beginning. An opportunity was given. Unfortunately, the opportunity of the examination could not solve all the problems that had previously accrued.

However, the appearance of the problems was the result of the congress' proposals and the party's work with the educators. It was also partially the result of the Pioneers' meeting. They spoke about this kind of problem, made us aware, and said that next-time they wanted to have congress. We said: Yes, there will also be a Pioneers' congress because if the Pioneers [applause] can analyze the future also, we must hold Pioneers' congresses, just as we will now hold the congress of the FEEM [Federation of Intermediate Level Students] to discuss all education problems. We will hold a discussion during this congress just as the CDR people did, and we will discuss the problems of the FEU [Federation of University Students] at the FEU congress, as we will discuss the problems of the youth in the congress of our youth. [applause]

We have problems, but I will not judge our youth considering only three or four people. I do not judge our youth considering a few lost ones, in whom all kinds of factors -- even familial -- have had a bearing. Unfortunately, studies are no longer made of the influence that family or the family's problems have exerted on the young people. It has always happened that, in their backgrounds, there are problems and abnormalities that have created conflicting situations. This is why we pay so much attention to the participation of the family in the youth's education, children, and young men. I have a lofty concept of our youth.

I remember a period in the months prior to the events in the Peruvian Embassy, prior to the marches of the combatting people. There was much skepticism regarding our youth. There is always a negative report. We got not only the news about the tens of thousands, the hundreds of thousands who belong to the Youth Technical Brigades that innovate, devise, work; those who work at forges, ovens, machines, working hard but the news about the so-and-so lost youth who did this or that, the so-and-so youth who was militant and deserted I do not know where.

Four, 20, or even 100 souls if you want, cannot project an image and have no right to distort the image of our youth. However, we find them at factories working hard, we find them working hard at construction sites, we find them at the universities, we find them at health centers and as teachers, not because there have been [changes thought] we speak of a percentage that did not pass. Yet there could have been more than 90 percent of graduates, as in primary schools. There can be a percentage [of teachers] that can not make students yield their best. Yet there are tens and tens of thousands of good teachers and good professors [applause] and youth [applause]. I also see our youths in internationalist missions, in civil and military work [applause]. As we have said at other times, are we not entitled to being proud?

However, it is very difficult for any country to have youth comparable to that of Cuba. [applause] Perhaps I am being very critical, but I can also be fair, and I do not make mistakes regarding problems like this. We are responsible for the defects that we encounter, sometimes or many times in the streets or anywhere. This is our fault. We are not going to blame the boy, we will not blame the young man now. When we see vices in factories, we are at fault. We are not going to blame workers now.

Yes, it is very easy to play the role of the wise men. It is difficult when the time for correction arrives. That is when men are tested. It is easy to be a demagogue. It is difficult to be demanding. This is why the policy oif correction of mistakes and struggle against negative trends must of necessity create a certain resistance; we must expect it. If a few thousand are supposed to win tens of thousands and this privilege is cut suddenly, the people involved cannot be happy. If there are thousands of wheeler-dealers (merolicos) who cheat, sell, and steal raw materials and their business comes to an end, of course they cannot be happy.

It is even more painful when I see correction measures affect workers who are not responsible for the negligence, indolence, tolerance, and lack of responsibility that gave rise to a standard fulfilled four times, even five times. Also, the amount of money, any type of salary according to agreement without measuring production, quantity, or quality. [sentence as heard] Their weaknesses gave rise to distorted salaries [changes thought] I am not speaking of speculators or merchants. Some people in manufacturing plants got used to not having a single standard checked for 1, 2, even 4 years.

Sometimes when a new technique to increase production is introduced, rules are not revised. We could flood the country with money. Or do we dislike seeing workers earn money? How could we dislike it? Everything we have done throughout our lives as revolutionaries is to improve the living conditions of workers and their families. Or is it that the revolution is not interested in improving the living conditions of workers and is not fighting for this? We are fighting against the deceptive belief that anyting is possible, like living on the moon. We are fighting against the belief that we could swim in a pool of money without giving up anything to do so. The first one to be fooled would be the worker. They give him money and they bribe him with paper money. They turn money into paper, instead of turning paper into money. They turn money into paper. They get used to it.

Of course, when they have to correct their course, they get into problems. We dislike seeing a worker who is not a crook, working hard with a machine, making an effort, and not getting paid by the revolution. The revolution cannot pay him with money, because there is not material compensation. All these problems we have been talking about begin to appear. We dislike this. That is why we said that all these steps must be discussed in a political framework. All problems must be analyzed. We should not engage hastily in the process of rectification. It is easy to be a magician, to be generous, to hand out money. It is like giving out marijuana. Yes, the person smokes that cigarette and begins to dream of a paradise. He returns to the time of Adam and Eve, the first days talked about in he Bible. They grabbed apples, pears, and grapes, and then other things [laughter] and that was when original sin came about. [applause]

You realize this. You could teach someone to consume 1,000 pesos worth of something. You are fooling him when you give him marijuana. We do not smoke marijuana here. We do not consume drugs here. We will not allow them to turn us into victims of those kinds of drugs of the economists, of politics -- those false drugs -- because in order to hand out more, it would not be necessary to wait for some irresponsible person to hand out more, as we ourselves would be handing out more.

If there is anything the revolution can be blamed for, it is its desire to give more than it can. Its desire to give more than it can. [Castro repeats himself] Now, those problems were created. It was necessary to correct them. Logically, some sectors might not like this; some without justification as in the case of speculators who adversely affected workers. That really is a sad thing. Those are the consequences of a lack of responsiblility, of demagogy, and of political dabbling, because it is easy to stand in front of a group of people and say something is not correct. It is not as easy to raise the flag of vindication as it is to raise the flag of rectification. Courage is needed. Therefore, we have to do everything with prudence and with care, without extremisms of any kind. It is possible that mistakes could be committed in the process of rectification. but if we make mistakes in the process of rectification, we must have the courage to rectify the mistakes we make. Yes. [applause.]

We will be attentive to any mistakes and correct them. We must fight to rectify mistakes. I know that our problems have solutions of one kind or another. At the least we will never stop struggling to seek solutions to our problems. This is the least we can do. I am sure we can do many things. We can do things much better if we are aware of this, if we assume responsibility, if we fight everywhere, everyone in his workplace, his organization, in his place, and in his factory. We have talked about the process that the CDR's are undertaking in Santiago de Cuba. They are talking to each and every worker [asking them] how they are doing at their factory.

We should commit ourselves both collectively and individually. We should commit ourselves to students collectively and individually, and we should also commit to children, teachers, and everybody. We have a process ahead of us. It is a process of struggle and efforts. We must commit everybody to this process, collectively and individually. This cannot be done with money. Those who think that man does great things for money are crazy or drugged. Yes, indeed there are men who kill for money, but there are many men and women willing to die for their ideals, for justice, and love. [applause] There are many men willing to die.... [changes thought] There are men who kill for money, but no one dies for money. Even the mercenaries are always thinking that they will not die. They are constantly protecting themselves. We should know with the amount of attacks prepared by imperialists. They are mercenaries. They want money, but they do not want to die. No one dies for money, but entire peoples may be willing to die for thier ideals. [applause]

We will obtain money in this struggle by other means of distribution and exchange. We have the revolutionary values with which we can work miracles. We have always been witnesses to the miracles accomplished with those values, with the system of revolutionary values. We have seen men make incredible efforts and sacrifices for specific ideas and moral values. We have to resort to that. We can see those values.

Any group that has good leadership -- for example, a party or labor union with good leadership -- works well. There are excellent schools, and one wonders why one school is better than another. The reason is they have good direction and coordination. There are excellent factories and brigades, and they did not achieve this state with money, but through revolutionary and political work. They are an example.

The decisive factor is the value of that example, as Che used to say. We have to make efforts to improve everything, everywhere. We have to improve our schools, hospitals, factories, construction works, and all activities. We have a great task ahead of us. Please do not accept those who are apathetic, weak willed, or pessimistic.

The pessimist is the negation of confidence in man, of faith in man. The pessimist is, as they say ... [changes thought] it is true that someone once said that a person can wind up in hell despite his good intentions. It is possible. However, the pessimist is sure to end up in hell. He will inevitably end up in hell because only hell exists. Perhaps that someone was mistaken and there are other paths. Someone said that the path to hell is paved with good intentions, and that good intentions also pave the path to great things. However, no pessimist has ever done anything. The pessimists have always restrained and obstructed the works of those men who have confidence in mankind. [applause]

We are going to carry out our recitification process in the struggle against poorly made things. I know how important it is to have the support of the congress. The matter of vigilance was widely discussed at the congress; it was the most discussed subject, along with the political struggle, the ideological struggle, and combativeness. It was discussed -- and we must not forget this, we must not forget it -- that after 26 years, if we study all the problems of the world in which we live, if we do not dream, if we do not smoke and so on [laughter], if we are realistic, because being realistic is an essential quality in a revolutionary; and if we analyze the international situation, the political problems, the world problems, the economic problems, if we study our own reality, the process, the moment we are currently experiencing; then revolutionary vigilance will be our number one priority. In the first place, vigilance against the imperialist enemy [applause], in the second place vigilance against the lumpen and the antisocial people. Those are our two tasks, companeros. [applause]

The ideoloical struggle; those who believe that the ideological struggle has ended are mistaken, because in this world there are two systems confronting each other. If the danger of war diminishes, I am sure the ideological struggle will increase abroad and even within the country, because the speculators -- those who want to become rich off the sweat and work of others, those who aspire to a disproportionate part off the country's social wealth without working -- can be described as thieves. We cannot expect a revolutionary awareness and spirit from them. However, as I said, they are a minority and we will be prepared to confront them.

I believe that this very important effort in the ideological field, along with other principles we spoke about and repeated many times at this congress, gave rise to one of the ideas we will take with us: combativeness. [applause] Combativeness. It was quite clear in the debates that vigilance, ideological struggle, and combativeness are inseparable. At this congress we made a commitment: To increase our combativeness just as we did in the early years. [applause] We must increase combativeness [interrupted by applause]. We must increase our combativeness now more than ever. I believe that circumstances call for increased combativeness now more than ever. This was an essential trait of the CDRs. It must never be lost. Combativeness must go against all that is badly done. Whether in the area of the counterrevolution, or in the administrative field, whether connected with irresponsibility, or dealing with the area where antisocial people operate, I believe that a member of the CDR, a revolutionary, a member of our mass organizations, our youth or of our party, could never compromise on poorly done things. In any field, if we know that someone is misusing resources, we cannot make ourselves his accomplices or tolerate his actions. [applause]

If we see someone discrediting the revolution, we can argue with him or try to persuade him. However, we cannot allow anyone to discredit the revolution and go unpunished, and continue without being confronted. [applause] We must be uncompromising in regard to things that are poorly done anywhere -- in work centers, anywhere. We must never be accomplices to things that are done poorly. I believe this should be a basic principle for all revolutionaries. We cannot allow the enemy, the antisocial people to take control of the street. We cannot allow the counterrevolutionaries or the enemy to take the political lead. They would take advantage of our difficulties, not with the good intention of overcoming the problems, but for counterrevolutionary purposes and to weaken the revolution. We must now allow this to be said of a CDR member. It must not ever be said that we are not capable of defending the effort in which so many fellow patriots have given their sweat, blood, and lives. [applause]

We will expect that from the students when they meet, and the youths, and the peasants when they meet next year. We have to discuss all this so that there is not a single confused person left, so that there is not a single fool left; and those who act like fools will do it because they are really fools and not because they are -- as we say -- playing the part. [laughter] We cannot allow that. We must start working now, the workers, labor unions, so that all of these [changes thought] many of these problems are solved by the time we hold the workers' congress; so that many of these problems are solved by the time we hold the women's congress; and so that many of these problems are solved by the time we hold the next party congress, which we hope will be held in Santiago de Cuba [applause] trusting [more applause] trusting in the eastern people's capacity to earn that honor. Perhaps we will have new problems -- no doubt we will -- but not these. We have been struggling against them since the day after the Third Congress sessions concluded and we will continue to struggle in every sense, in every sector. We will continue to adopt measures for the struggle against the antisocial people, the lumpen sectors. We will continue to adopt measures in education to overcome our deficiencies and attain the appropriate level, with the intention of becoming a power in the education sector.

We will continue to work in the health sector, and we will continue to graduate thousands of doctors every year, adding 1,500 more to the family medicine program and to improve all our services in every sense, without ever feeling satisfied -- in order to become a power in the health sector and attain health levels that no other nation has, or attain the life expectancy level that no one has. We will be among the first and we hope that the others have as much as we do.

We will continue to struggle and develop our agriculture, develop the cooperative movement, increase the production of food for the population. We will continue to struggle and overcome the deficiencies and problems in the construction sector, to prepare the chronological programs and build things on time, and to make investments that fulfill all the needs.

We will continue to struggle and seek efficiency in our factories. We will do whatever is necessary to maximize the production of our machines and workers to a maximum. We will continue struggling to humanize working conditions everywhere.

We will continue struggling and developing our party. Although it has a mass of followers, it is not a party of the masses: It is a vanguard party. It is a party worthy of our people's revolutionary spirit. We will develop our youth organizations and turn them into vanguard organizations. We will also develop our mass organizations, even the pioneers. We will continue to struggle and counter difficult situations. Above all, we will continue to struggle and strengthen the defense of our country. We will not rest. We have multiplied the defense many times and we will continue to multiply it. We will continue to prepare, organize, and arm ourselves. This year we will have an exercise with the participation of the entire population. You can imagine the role that the CDR will have to play. [applause]

We will continue to struggle and strengthen our ideology, to improve our system, to consolidate and attain the revolution's progress. All this can be summarized this way: we will continue to struggle for peace; for the survival of mankind; for the people's right to live; and for material welfare, and development. It also means that we will struggle against the economic crisis; struggle against the foreign debt and its deadly consequences; and struggle to attain a new international economic order. We will continue to struggle in our country and abroad for the people's freedom and dignity; we will continue to struggle to attain justice and progress for all nations. [applause]

If we joined all the flags which stand for these causes, we would assemble a great flag, and that great flag is what the flag with the lone star symbolizes today. [applause] The flag which was raised by our liberators in '68, in '95 -- it is the same flag because we have continued that struggle. It is also the flag [applause] of socialism and internationalism. That is our flag; it is ours; it is the flag of the revolutionary and patriotic people who have never wanted to change it for another [applause], who never betrayed their homeland. There is another flag nowadays, it has many little stars. I do not know if it has 51 or 52. I do not know if it is 51 or 52, something like that. Those turncoats and unpatriotic individuals went over there seeking citizenship, fleeing from danger and sacrifice. They went over there with an opportunistic attitude, thinking that the revolution would not last even 27 weeks. Later on, they thought it would not even last 27 months. But the revolution will be 28 years old. [applause] This is because this star is more shiny and bright than all those stars put together. The stars which those men who are insensitive to the ideas of the revolution and the fatherland one day exchanged their single star for. [applause]

This flag involves all these principles and all these noble causes we have talked about. This flag requires everything. It demands everything: our effort and energy. It demands each minute and second of our lives. It demands the sweat, sacrifice, blood, and life itself from all of us. This is what we have always felt. This is how we have always reacted when we see clearly and have a clear awareness of what we represent and defend.

For this reason, I say that combativeness is the word that is in our national anthem. [applause] Revolutionary awareness and combativeness must be the deepest-rooted mottos in the conscience of each patriot and revolutionary; in other words, in the conscience of each patriot and revolutionary; in word combativeness, the slogan combativeness, and the spirit of combativeness be the clearest and firmest idea that was take home from this congress.

Free fatherland or death, we will win! [applause]

DELEGATION TO ATTEND INTERPARLIAMENTARY MEETING

FL022327 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Oct 86

[Text] Severo Aguirre, vice president of the National Assembly of the People's Government, will head the Cuban delegation to the 76th Inter-Parliamentary Union Meeting, which will be held in Argentina in the next few days. Other cuban delegation members are deputies Ramon P. Ferro, chief of the National Assembly International Department, and Ana Isabel Alfonso.

ELECTION TO INTERNATIONAL AVIATION ORGANIZATION

FL021903 Havana Tele-Rebelde Network in Spanish 1700 GMT 2 Oct 86

[Text] For the first time, Cuba has been elected to be a member of the Intenational Civil Aviation Organization, ICAO, which makes Cuba the only Caribbean representative in that organization.

Our country was elected after 4 years of proposals in the Latin American Civil Aviation Commission. Cuba received that final votes of support at the 13th meeting of the Executive Committee of the Latin American Civil Aviation Commission held in Havana on 4 and 5 September.

The 26th meeting of the ICAO General Assembly will be held until 10 October at its permanent headquarters in Montreal, Canada. The ICAO consists of 156 members.

NEW TRADE AGREEMENT WITH GUYANA SIGNED

FL021440 Bonaire Trans World Radio in English 1130 GMT 2 Oct 86

[Text] Cuba and Guyana have signed a new trade agreement. Under the new agreement, Cuba will keep supplying Guyana with soap, tobacco, and detergent in exchange for rice, furniture, wood, and other items.

HAITI

GOVERNMENT SENDS TANKS TO SUPPORT SOLDIERS

FL021243 Bonaire Trans World Radio in English 1130 GMT 2 Oct 86

[Text] The government of Haiti has sent tanks to back up soldiers in the northern city of Cap-Haitien after an antigovernment rally there turned violent.

Soldiers stationed in the port city 90 miles north of Port-au-Prince used tear gas grenades yesterday to disperse protestors who burned tires and threw rocks.

Unrest was also reported in the town of L'Estere about 40 miles north of the capital, where local authorities asked the military headquarters of Port-au-Prince and Gonaives for reinforcements.

ANTIGOVERNMENT DEMONSTRATIONS SPREAD 2 OCT

PA030320 Paris AFP in Spanish 0213 GMT 3 Oct 86

[Text] Port-au-Prince, 2 Oct (AFP) -- The increasing wave of protest against the National Government Council of Haiti spread today to three other cities in the south, Cayes, Jeremie, and Miragoane, official sources admitted.

In Cayes, some 1,500 people participated in a rally called by the United Movement of the People of Cayes, MUPC, and another four youth organizations. The demostrators later marched through the city.

"Down with the National Government Council," "The National Government Council is like Jean-Claude Duvalier," read the posters displayed by the demonstrators, who were shouting the same slogans.

William Regala, interior and defense minister and member of the National Government Council, was also a target of the people's criticism.

Another poster read "Haiti is not for sale," as a criticism of liberal economic policy of Leslie Delatour, finance and economy minister.

The march along the streets went on without incidents and the police did not intervene, it was reported.

In Jeremie, some 300 people marched down the streets carrying similar posters.

More demonstrations have been planned for tomorrow, Friday, in Cayes and Jeremie to protest against National Government Council, and there is another one planned for Saturday against "foreign imperialism."

BOUTERSE MEETS WITH L.A. LEADERS AT UN

FL022033 Paramaribo International Service in English 1730 GMT 2 Oct 86

[Text] Yesterday, government leader Desi Bouterse met with the Guyanese Foreign Minister Rashleigh Jackson at the headquarters of the United Nations in New York. During the meeting the Surinamese Government leader expressed appreciation for the stand taken by the Guyana Government on the Brunswijk issue.

On the time the Guyanese Government was informed about the problems in eastern Suriname, it assured the Surinamese Government that its territory will not be allowed to be used to carry out actions against Suriname.

Desi Bouterse, who will address the UN General Assembly tomorrow, also had talks with President Virgilio Barco Vargas of Colombia and the Venezuelan Foreign Minister Simon Alberto Consalvi.

Today, Commander Bouterse informed the Latin American members within the UN about the developments in Suriname and then gave them an idea of the main points of his speech to the United Nations on the First General Assembly.